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EIGHT PAGES
FROM SUNDAY'S
The New York Times
THE WEEK IN REVIEW
INSIDE TODAY



THE JERUSALEM POST

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Vol. LI, No. 15445
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An IDF M-60 tank wearing its anti-missile defensive panelling. (See story below).

Civilians injured as Shi'ite celebrants mob IDF convoy

By MENAHEM HOROWITZ
Jerusalem Post Reporter

METULLA. — At least 10 Southern Lebanese citizens were injured yesterday and three Israeli military vehicles were set on fire by an angry mob of Shi'ite Muslims in Nabatiye, in the worst outbreak of violence between Israeli troops and Lebanese citizens in recent months.

No Israeli Defence Forces troops were wounded in the fracas and reports on the number and nature of the Lebanese wounded differ widely.

The violence erupted when a convoy of four IDF vehicles, on its way towards the Zabarni River, drove into Nabatiye, just as thousands of Shi'ite worshippers emerged from the local mosques.

Thousands of Shi'ites from all over Lebanon flock to Nabatiye every year to celebrate the Ashura festival, the holiest day on their calendar. The festival marks the death in 680 of the Prophet Mohammed's grandson Hussein.

Worshippers slash their heads with razor blades and knives, then march around the town square beating the wounds with the flat wedges of swords to make the blood run freely onto the white sheets they wear, as a sign of mourning.

When the IDF convoy arrived in Nabatiye and saw the large crowds in the square, the vehicles began to back up so that they could take

(Continued on Page 2, Col. 2)

Habash and Hawatmeh shift their support from Arafat

By DAVID BERNSTEIN
Post Middle East Affairs Reporter and agencies

The situation of embattled Palestine Liberation Organization chairman Yasser Arafat took a dramatic turn for the worse yesterday when the leaders of two major groups in the organization openly identified themselves with the demands of the dissidents in Arafat's own mainstream Fatah group.

George Habash of the Popular Front for the Liberation of Palestine and Nayef Hawatmeh of the Democratic Front for the Liberation of Palestine, both of whom have hitherto sought to preserve the unity of the PLO under Arafat's continued leadership, yesterday echoed the rebels' ac-

cusation of "errors and corruption" among the present leadership. They also supported the rebels' demand for "genuine collective leadership" in place of Arafat's authoritarian rule.

The two leaders echoed the radicals' demand for an all-out struggle against Israel, a purge against corruption, and no dealings with any peace plan.

It is not clear what prompted Habash and Hawatmeh to shift their positions, drastically undermining Arafat's chances of remaining at the head of a united PLO.

Both men are subject to strong Syrian pressure and this could have induced them to change their minds.

(Continued on Page 2, Col. 4)

Lebanon calls for Italian, Greek troops

BEIRUT (AP). — Lebanon has formally asked Italy and Greece to provide 400 observers each to police this nation's three-week-old cease-fire, a government statement said yesterday.

Foreign Ministry under-secretary Khalil Mekkawi made the request after a late night meeting Saturday that was also attended by Foreign Minister Elie Salem, the statement said.

Mekkawi called Italian Ambassador Franco Luciano Ottieri and Greek Ambassador Evangelos Georgiou by telephone from the presidential palace and asked them to convey Lebanon's formal request to their respective governments, according to the statement.

Meanwhile, a Lebanese soldier was seriously wounded by sniper fire in the mountain village of Qabr Shmoun yesterday as violations of the shaky cease-fire continued.

Three U.S. Marines were also wounded by small arms fire and rocket propelled grenades that poured on the American peacekeepers' zone of operations for a third straight day yesterday.

'Complete' response to Histadrut's strike call

By JOSHUA BRILLIANT
Jerusalem Post Reporter

TEL AVIV. — The Histadrut said some one million workers all over the country yesterday joined its two-hour strike against the government's economic steps. The strike was a reaction to what the labour federation described as an uneven distribution of the economic burden — partly with regard to the 50 per cent rise in the price of basic foods — and as a warning not to implement the Treasury's plan to cut the compensation for price rises by giving smaller increases in the cost of living allowance.

The Young Guard of the Labour Party are to demonstrate outside the Knesset at 3.30 p.m. today, calling for early elections and the resignation of the government.

Speaking to workers in Holon yesterday, Histadrut Secretary-General Yehonah Meshel said that if the government ignored "the sign and warning" — the workers' struggle would be escalated.

Workers should be fully compensated for price rises and should get part of that compensation before February (the date it becomes due according to the C-o-L agreement), Meshel said.

Speaking to the federation's central committee yesterday evening he said that in order to maintain quiet labour relations until April 1984 (when the present wage agreements expire) "there is no doubt we will raise (the demand for) an advance."

The logic was that workers should get a pay rise to prevent powerful groups from fighting for them independently. Natan Almosino, the Histadrut's treasurer calculated that prices will rise by 50 per cent by the end of January, and, under such circumstances, the Histadrut would not be able to control the workers without some sort of compensation.

In Ashdod, an estimated 13,000 of the 15,000 workers struck for the whole day, closing the port and other enterprises. Only essential services were staffed.

Speaking at a mass meeting attended by some 5,000 strikers, Yehuda Ben-Harush, secretary of

Ashdod Workers Council, said the day-long action was to show that the Histadrut was not weak and would not allow workers to lose out as a result of the government's economic measures.

The strike was also intended to show Ashdod workers' disappointment in the Histadrut for calling for only two hours of action, he said.

Another speaker at the meeting was Rogozin managing director David Assaf, whose company dismissed 90 workers last week.

Clearly the Histadrut felt that the response to its two-hour strike showed workers were behind it. "The Histadrut emerged from (this power test) strengthened and united," Meshel declared.

According to the trade union department's account, the response to the strike call was "complete" and only those in vital sectors of the economy stayed at work. That, too, was effected with the trade union's permission, the labour federation stated.

According to Shalom Havush, head of the staff committee at the Military Industries, workers there joined the job action for the first time in Israel's history.

Seventy thousand teachers also struck, affecting some one million pupils. Yitzhak Velber, the acting chairman of the Teachers Union, reported.

Banks, local council offices and department stores were shut.

Some workers telephoned the Histadrut saying a whole day strike should be called.

Civilian air traffic inside Israel and air links abroad were also halted. Six flights had to be rescheduled, a spokeswoman for the Airport Authority said.

In the early afternoon the departure hall at Ben Gurion Airport was extremely crowded. Hundreds of passengers queued up to check in, but they had to wait until the clerks resumed work.

An Arkia hostess told *The Jerusalem Post* she could not receive passengers because the baggage loaders were on strike.

(Continued on Page 2, Col. 1)

MKs to receive 51% pay boost

Post Economic Reporter

Wage-earners will next month receive 20.5 per cent compensation for the increase in the cost of living, but ministers and members of Knesset are due to receive more than a 50 per cent increase.

The salaries of ministers, Supreme Court judges and MKs are adjusted twice a year in accordance with the average wage in the economy.

As of November, the prime minister's salary will be IS191,000 per month — a 54 per cent increase.

Ministers will get a 52 per cent increase to bring their salaries to IS170,000, while deputy ministers and MKs will receive a 51 per cent hike to IS159,000.

Moda'i front-runner to take over Treasury

By ASHER WALLFISH
Post Knesset Correspondent

Energy Minister Yitzhak Moda'i last night looked the most likely to be named minister of finance. A decision is possible today.

After a day of continuous consultations yesterday between Prime Minister Yitzhak Shamir and the ministers of the leading coalition parties, as well as within the separate party leaderships, the Herut wing of the Likud was clearly deferring to the Liberal wing and accepting the appointment of a Liberal minister to the Treasury.

Although most Herut ministers said in internal consultations that they would have preferred a Herut man as finance minister, they did not challenge Shamir's ruling that the best way to cement relations between the Likud's two main partners, Herut and the Liberals, was to give the Liberals the Treasury.

When the Likud first came to power, in 1977, the late Liberal doyen Simha Ehrlich got the Treasury automatically. When he failed at the job, it went to a La'am man, Yigal Hurvitz — later of the Telem faction — and when Hurvitz failed, the Treasury went to a Herut man, Yoram Aridor, who resigned last Thursday. Now that Aridor has failed, it appears that the wheel has come round full circle back to the Liberals.

The Herut ministers are expected to meet this morning at 9 o'clock to hear what the Liberals have to say. What Herut mostly wants is to make sure that one Liberal minister does not undermine another. Moda'i for some months was Aridor's most vocal critic, outside the cabinet as well as inside.

The Liberal ministers agreed at their meetings that they would propose to Shamir that he decide between Moda'i and Industry and Trade Minister Gideon Patt. They

(Continued on Page 2, Col. 4)

Ministers, bank chiefs to meet

Jerusalem Post Staff

The cabinet yesterday appointed a team of five ministers under Deputy Premier David Levy to continue negotiations with the banks over the government-guarantee arrangement for the bank shares.

While the arrangement was accepted in principle last week, there apparently still are many loose ends to be tied up.

Meanwhile, the general manager of the Tel Aviv Stock Exchange, Yosef Nitzani, said yesterday on

Galei Zahal that the exchange, which is still closed, may be reopened gradually in the middle of this week.

The public continued to buy large amounts of dollars yesterday. (See story, page 3.)

The cabinet team — Levy, Aharon Uzan, Zevulun Hammer, Ya'acov Meridor, and Gideon Patt — will meet with the bank chiefs this morning.

The team will be presented with several alternatives prepared by the

Bank of Israel on ways to prevent a large drop in the prices of bank shares during the first days of trading on the Stock Exchange.

Bank of Israel officials yesterday told *The Jerusalem Post* that the agreement must be reached as soon as possible since a large number of companies are already facing liquidity problems.

The Treasury has announced that companies facing such problems will be granted one-time concessions.

(Continued on Page 2, Col. 4)

Narrowing of the trade gap in September

Jerusalem Post Reporter

The most recent trade figures show, according to government officials, that the country's economic situation is not nearly as bad "as the media depict it." The figures show a significant narrowing of the trade gap for the month of September — both compared with the previous month and with September, 1982.

September 1983, compared with \$222m. in August, 1983, and \$61m. in September 1982.

The improvement was registered by a reduction in imports — \$382m. in September, 1983, compared with \$511m. in the preceding month and \$425m. in September, 1982.

Exports were also down, but only slightly in comparison with September 1982.

These figures were cited for the cabinet yesterday by Bank of Israel Governor Moshe Mandelbaum, in the course of an economic survey. Government spokesmen stressed them later in media briefings, apparently as part of an effort to "cool" the panicky economy and reassure public opinion at home and abroad.

Commerce and Industry Minister Gideon Patt also had some encouraging news to share with his cabinet colleagues — industrial production, he said, was up 2.5 per cent in the first half of this year as compared with the same period last year.

Focusing specifically on the second quarter of the year, said Patt, the figures were even better: a 7.5 per cent rise as compared with April-June of 1982.

This statistic was also stressed by government spokesmen as a "really key indicator" that all was not ill with the Israeli economy despite the current atmosphere of crisis.

Economic crisis confronts Knesset

By ASHER WALLFISH
Post Knesset Correspondent

The Knesset session opening at 4 o'clock this afternoon is likely to be one of the most stormy in the history of this country's parliament.

With two years of its life behind it and two more to go, the Knesset will plunge this week into the number one public and political controversy — the economic crisis.

The ex-minister of finance, Yoram Aridor, had been scheduled to make a statement on behalf of the government about the economic programme this afternoon — to be followed by a debate.

The new finance minister — whoever he is — will not be appointed in time for the afternoon session, so the economic debate will not be held. Instead, various items of government business will occupy the plenum agenda. However, with the government's very future under a cloud, whatever legislation comes up is not likely to receive serious attention, and is not likely to be of major importance anyway.

The economic crisis will grip the Knesset's attention tomorrow in all likelihood. The Labour-Mapam Alignment has already managed to table its motion of no-confidence in the government, well before today's 12 noon deadline.

There is no reason to suppose that the Alignment can muster a majority against the coalition, to bring it down and thus put an end to the life of the Shamir government which was sworn in last week.

The no-confidence motion may in fact be debated on Wednesday instead of tomorrow. Although House rules require a minimum of 24 hours notice on no-confidence, there is a gentleman's agreement to allow 48 hours, unless the motion follows the debate on a government statement which has generated the full attendance suitable for a no-confidence vote.

The government has to announce the resignation of Aridor and the appointment of his successor. Such appointment requires a debate and the Alignment no-confidence motion could be combined with this debate.

Although political thunderstorms will resound continuously during the winter session, the fortnight before the municipal elections will not be the worst. Many MKs will have their hands too full organizing the election campaigns to leave enough time for the Knesset. The ructions will come later, especially as the election results will show which way the wind is blowing.

Mea She'arim resident arrested for attack on Kollek

By MICHAEL EILAN
Jerusalem Post Reporter

Jerusalem police yesterday arrested a young man from Mea She'arim on suspicion of participating in the attack on Mayor Teddy Kollek on Saturday.

Police said the suspect is a 24-year-old owner of a photography shop in the ultra-Orthodox Mea She'arim neighbourhood. He has reportedly admitted that he was in the mob who attacked Kollek, but says he only cursed the mayor and did not hit him. The suspect was apparently identified by a resident of the Bukharan quarter. Kollek and a group of men from a Persian synagogue in the quarter were attacked as they walked through the Geula neighbourhood on Saturday after prayers.

The attack on Kollek was discussed in the cabinet yesterday.

with Interior Minister Yosef Burg reporting on the details and Prime Minister Yitzhak Shamir urging "aggressive and effective police action to put an end to this sort of disgusting deed."

Posters were put up in Mea She'arim yesterday offering a

IS100,000 reward to anyone who would give certain ultra-Orthodox leaders the names of persons who took part in the attack. The posters were put up by the "Ways of Pleasantness" group which said the attack besmirched the name of the

(Continued on Page 2, Col. 6)

IDF armour 'shields' unveiled

By JOSHUA BRILLIANT
Post Defence Reporter

TEL AVIV. — The defence establishment yesterday removed the wraps from a device designed to neutralize hollow charge anti-tank missiles.

The device was designed following the Yom Kippur war when enemy soldiers armed with anti-tank Sagger personal missiles knocked out many Israeli tanks, killing and wounding the crews. The device was tested during the war in Lebanon and in some cases saved soldiers' lives, according to Zeev Bonnen, the director-general of Rafael — the Armaments Development Authority — where it was developed.

Most modern anti-tank shells and missiles — Sagers, RPGs, bazookas, LAUs and TOWs — are built on the hollow charge principle, which, upon impact, concentrates the explosive energy on a very small part of the target's surface. The concentrated explosive jet then released cuts its way through the target's armour and bursts into the armoured vehicle's closed internal space with devastating pressure.

Bonnen said the device is designed to "spoil" the penetration effect before the missiles hit the tank body itself. Bonnen said more armour plates would have only a marginal effect — but would considerably increase the tank's weight.

From the outside, the devices look like boxes added around the tank's turret and hull.

From pictures released yesterday, it was clear that the IDF tanks were not fully covered by the devices. Rafael experts said only 10 square metres were covered so as not to interfere with the gun's movement, periscopes, machine guns and crew entrances.

Israel is hoping to export the device to friendly countries. The government has given its consent in principle. The device will be displayed today at an exhibition in Washington.

Armoured personnel carriers will also be fitted with protective shields, but of a different type to those designed for tanks.

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A head of its time

Wednesday's *LIFE STYLE* magazine investigates a most peculiar mystery that has endured for four decades: when the "Father of Archaeology in Palestine" died, his wife had his head sent to London for scientific study. A search finally turned up the perfectly preserved head, but the startling question arose: "Whose head, in fact, is it?"

In other stories, *LIFE STYLE* reports on:

- ★ Motoring: new cars on the market; or, what to get to get going.
- ★ Eliezer Ben Yehuda called it "Something new in Jerusalem", while the townsfolk looked on in bewilderment: *LIFE STYLE* recalls the first car in Israel.
- ★ Sinai revisited. Advice for the tourist, and a study of the Peninsula's native Beduin.
- ★ PLUS Stamp column, graphology, the Hearfelt problem page and *LIFE STYLE*'s irreverent critic Matt Nesvisky. And more. Free with Wednesday's *THE JERUSALEM POST*

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The weather at major Swissair destinations

| 17.10.83 | MIN | MAX | WIND | WEATHER |
|----------------|-----|-----|------|---------|
| AMSTERDAM | 8 | 14 | 07 | Rain |
| BRUSSELS | 3 | 12 | 05 | Cloudy |
| BURNOSS AIRS | 1 | 10 | 05 | Cloudy |
| CHICAGO | 1 | 10 | 05 | Cloudy |
| COPENHAGEN | 1 | 10 | 05 | Cloudy |
| FRANKFURT | 1 | 10 | 05 | Cloudy |
| GENEVA | 8 | 16 | 01 | Clear |
| HELSINKI | 9 | 11 | 02 | Rain |
| HONG KONG | 25 | 27 | 30 | Clear |
| JORDANESBURG | 12 | 24 | 25 | Clear |
| LONDON | 10 | 14 | 07 | Clear |
| LUXEMBOURG | 8 | 16 | 01 | Clear |
| MADRID | 5 | 11 | 02 | Clear |
| MONTREAL | 5 | 11 | 02 | Clear |
| NEW YORK | 10 | 14 | 07 | Clear |
| OSLO | 8 | 16 | 01 | Clear |
| PARIS | 9 | 11 | 02 | Clear |
| RIO DE JANEIRO | 18 | 24 | 25 | Clear |
| SAO PAULO | 18 | 24 | 25 | Clear |
| STOCKHOLM | 10 | 14 | 07 | Clear |
| TOKYO | 14 | 20 | 08 | Cloudy |
| TORONTO | 7 | 15 | 04 | Clear |
| VINNA | 3 | 11 | 02 | Clear |
| ZURICH | 8 | 16 | 01 | Clear |

For the latest weather conditions, contact Swissair.

THE WEATHER

| Forecast: Partly cloudy to fair | Yesterday's | Today's | Max |
|---------------------------------|-------------|---------|-----|
| Jerusalem | 42 | 7-21 | 22 |
| Golan | 44 | 10-21 | 22 |
| Nabatieh | 44 | 10-21 | 22 |
| Safed | 55 | 11-20 | 21 |
| Haifa Port | 55 | 11-20 | 21 |
| Tiberias | 42 | 13-28 | 28 |
| Nazareth | 43 | 13-24 | 25 |
| Afula | 47 | 10-25 | 27 |
| Shimon | 39 | 11-23 | 24 |
| Tel Aviv | 56 | 15-24 | 25 |
| B-G Airport | 47 | 14-25 | 26 |
| Jericho | 36 | 13-30 | 21 |
| Gaza | 62 | 15-24 | 25 |
| Beersheba | 43 | 13-25 | 27 |
| Eilat | 54 | 17-30 | 31 |

SOCIAL & PERSONAL

Charles Wick, the director of the U.S. Information Agency, and his aides, were the guests of Defence Minister Moshe Arens yesterday at a luncheon at the Plaza Hotel in Jerusalem. On Saturday, Wick toured Judea and Samaria by helicopter and met with a group of West Bank leaders. Wick left Israel yesterday for Egypt, after a five-day official visit.

Avraham Yaski was elected president of the Engineers and Architects Association. Eldad Bookspan, Shmuel Shaked, Avraham Kahanov and Avraham Glazer will be his deputies. (Yaski, the recipient of the Israel Prize last year, is currently a member of the Tel Aviv municipal council.)

ARRIVALS

A four-man delegation of the Wales Trade Union Congress, headed by its general secretary George Wright, and a five-man delegation of the Transport and General Workers' Union in West England, headed by Ron Heister, arrived in Jerusalem yesterday at the invitation of Herut Odium, the Hasmadr building company.

Joining Professor Alfred Gottschalk, president, Hebrew Union College-Jewish Institute of Religion, and Richard J. Scheuer, chairman, H.U.C.-J.R. Board of Governors, 150 Members of Board of Governors, Overseers and Friends of H.U.C.-J.R. for Board of Governors meeting and groundbreaking of expanded H.U.C.-J.R. Jerusalem campus.

DEPARTURES

Police Inspector General Rav-Nizav Arye Izvan, for France, for the Interpol conference. Taking his place during his 10-day absence will be Nizav Yehzekel Corby, the head of the criminal investigations division.

STRIKE

(Continued from Page One)

In Haifa, 90,000 workers and employees in all sectors joined the strike.

However, Haifa port work was not affected as the strike was held during the break between the morning and afternoon shifts. The Dagon silo also continued work without interruption.

At the Technion and Haifa University, studies were not affected, although the administrative staff held a token strike.

Some 3,000 industrial workers from the Carmel region struck yesterday for two hours in sympathy with workers facing dismissal at the Ata textile company.

Welcome back to Israel

Fred Weisgal and wife, Jeanne, Fred Weisgal is a prominent jazz pianist who plays at Katy's smart Supper Club and the American Colony Hotel in Jerusalem. Jeanne Weisgal is a gourmet cook and author. From their many friends and fans, including the Capt. Yehiel Langer and Ruth Glesky Langer Hospitality Foundation, One Mapu St., Jerusalem.

Heartfelt Congratulations

to

Mrs. Nina Weiner

President of the International Sephardic Education Foundation, and good friend of Ben-Gurion University, upon receiving a Lifetime Achievement Award by President Chaim Herzog.



Ben-Gurion University of the Negev

HOME AND WORLD NEWS

Kirkpatrick set for new U.S. foreign policy post

By WOLF BLITZER

Jerusalem Post Correspondent

WASHINGTON. — President Ronald Reagan yesterday was widely reported to have selected special Middle East envoy Robert McFarlane as his national security adviser.

At the same time, the president was said to have decided to bring UN Ambassador Jeane Kirkpatrick back to Washington for a new foreign policy advisory position.

There was no immediate word about Kirkpatrick's possible successor at the UN, but McFarlane's Middle East responsibilities were expected to be filled by his deputy, Ambassador Richard Fairbanks.

The foreign policy reshuffle was the result of Reagan's naming the outgoing National Security Adviser William Clark as secretary of the interior, replacing James Watt.

The president has scheduled a major Middle East policy review for tomorrow at the White House.

All of his advisers will participate with the focus of attention reportedly being on the situation in Lebanon, the Iran-Iraq war, the economic crisis in Israel, the proposed Jordanian rapid deployment commando force and the need to weaken Soviet and Syrian influence throughout the region.

U.S. officials said the president, in addition, was now inclined to authorize a revived U.S. effort to win Jordanian support for Reagan's September 1, 1982, Middle East peace plan because the PLO's influence in the region has been weakened.

"The American officials also are agreed on doing what they can to persuade other Arab leaders to invite President Hosni Mubarak of Egypt to rejoin the Arab ranks at a planned summit meeting in Saudi Arabia next month," reported The New York Times yesterday.

"Egypt is the most powerful Arab country opposed to Syria and its pressure could be useful in getting the Syrians to be more forthcoming on Lebanon," it added.

The administration is anxious to intensify the strategic dialogue with Israel, especially regarding the situation in Lebanon. U.S. officials are currently debating whether to encourage or discourage additional Israeli partial withdrawals in Lebanon as a possible means of winning a parallel Syrian retreat.

There is still no consensus thinking here about how best to move the Syrians.

Well-placed U.S. sources suggested again that the administration was inclined to invite Defence Minister Moshe Arens to Washington later this month for detailed discussions on problems facing both countries in the region. The Americans also would like to see Prime Minister Yitzhak Shamir replace President Chaim Herzog during a mid-November scheduled visit to the U.S. But they recognize that domestic economic headaches in Israel might make that impossible.

Some senior U.S. policymakers are more inclined to press for an Israeli hardline in Lebanon as the absolutely essential counterweight to Syria's recently emboldened stance there.

The administration is also trying to shore up U.S. influence throughout the moderate Arab world, especially in Jordan, Saudi Arabia and elsewhere in the Gulf. In this regard, an increasingly powerful group of advisers is pushing for a less neutral stance in the Iran-Iraq war in favour of the Iraqis. Others, however, are resisting this thinking, convinced that Iran, in the end, is of greater strategic importance to the U.S.

Herut activists appeal to Aridor

RAMAT EFAL (Itim). — Scores of representatives from branches of Herut around the country visited former finance minister Yoram Aridor at his Ramat Eful home, near Tel Aviv, yesterday evening to dissuade him from his intention of resigning as chairman of the Herut secretariat.

It was learned that Aridor promised to weigh what he had

heard and said he would reach a decision soon.

All those leaving Aridor's house expressed optimism and said that he would continue his political activity.

A delegation of Herut representatives visited with Prime Minister Yitzhak Shamir last night to discuss Aridor's political future. The delegation intended to ask Shamir to appoint Aridor to a senior cabinet post.

Police probing death of prisoner on leave

HAIFA (Itim). — Police are investigating the death of a prisoner on leave from jail, who was found dead in a courtyard late Saturday night after apparently falling from a third-storey window.

Yitzhak Mizrahi, 31, was given a 96-hour leave from Damon prison, where he was serving a 30-month sentence for burglary. He left the prison on Friday and was found dead the next night in a courtyard in the Hasmadr section of Haifa.

Prize to newsmen killed in Honduras

Dial Torgerson, the onetime Los Angeles Times bureau chief in Israel who was killed in June while on an assignment in Honduras, was posthumously awarded the Hubert H. Humphrey first amendment freedoms prize of the Anti-Defamation League of B'nai B'rith.

The award, a citation and \$10,000, was presented to his children, Christopher and Jordan, on Saturday at the ADL's national executive committee meetings in Los Angeles.

Revival for unmanned planes after Israel's Syrian strikes

LONDON (AP). — Unmanned remote-control planes, used with devastating effect by the Israelis against Syrian missile batteries in Lebanon last year, are having a revival as the cost of combat jets and missiles defences become more lethal, the latest Jane's Aviation Yearbook has reported.

Michael Wilson, editor of the authoritative annual on electronic equipment used in aviation, said in the 1983-84 issue that the RPVs, or remote-piloted vehicles, "could... add a new dimension to future wars."

RPVs were first used by the U.S. Air Force in Vietnam as the bombing campaign against the north intensified with mounting losses of manned aircraft and a political outcry over the fate of captured U.S. crews.

The U.S. Air Force disbanded its last RPV unit in 1978 amid waning interest.

But Wilson said that all changed when the Israelis used their own Scout RPVs in a series of air strikes that obliterated Soviet-made Syrian

surface-to-air missile batteries in Lebanon's Bekaa Valley in June 1982.

Wilson said the Scouts were "brilliantly integrated" with Grumman E-2C Hawkeye early warning planes, Boeing 707 communications jammers and U.S.-made F4 fighter bombers against the Syrians supporting Palestinian guerrillas against Israel's forces.

Wilson said other less sophisticated Israeli RPVs, probably Tadiran Mastiffs, carried "electronic echo-augmentation devices" to make them look like larger manned aircraft on Syrian radar screens.

These flew over the radar-controlled missile batteries which were activated and then pinpointed by the Israelis who launched Zeev (wolf) surface-to-surface missiles to knock out the Syrian "eyes."

Once that was accomplished, manned Israeli jets swooped down to knock out the missile sites "blinded" by the loss of their radar-guidance systems.

SHITES

(Continued from Page One)

another route and avoid the congestion.

According to Israeli reports, the crowd suddenly started to throw hand grenades and opened light weapons fire on the convoy. The soldiers fired back in the direction of the shots, and the large crowd

panicked and attacked the Israeli vehicles.

One vehicle managed to drive away, but the three others were surrounded by the angry mob and the occupants escaped on foot. The crowd then set the vehicles on fire.

Several versions circulated yesterday as to how the 10 Lebanese citizens were wounded. Some reports said that they were wounded in the exchanges of gunfire; some said that the injuries resulted from the religious ritual that had been in progress; and others said that all of the wounded were hit by Israeli gunfire.

The IDF immediately closed off the area to restore order and to conduct searches. A curfew imposed on parts of Nabatieh during the day was lifted last night.

Shi'ite dignitaries and IDF officers met yesterday evening to discuss the situation and try to reduce the tension.

Also in South Lebanon yesterday, members of a subcommittee of the Knesset Foreign Affairs and Defence Committee toured the prison camp at Ansar.



Bracha Aknin of Tel Aviv greets her sister, Rosa Gitt, who arrived yesterday at Ben-Gurion Airport from New York. This was their first meeting since they separated in 1938 in a Polish village. Aknin left for Palestine. Gitt spent the war years in hiding in the attic of a Polish farmer, and immigrated to the U.S. after the Nazis were defeated.

'Theatre censors do not ban criticism of the government'

TEL AVIV. — The chairman of the Theatre and Film Censorship Board, Yehoshua Justman, told Tel Aviv Magistrates Court yesterday that the board does not ban sharp criticism of the government nor does it interfere if satirical performances include things not to its liking.

He was testifying as a witness in a trial resulting from performances of Hanoch Levin's controversial play, *The Patriot*, without board approval. The defendants are Oded Kollek, artistic director of the Neve Zedek Theatre in Tel Aviv, Eda Ben-Nahum, manager of the Jerusalem Khan theatre, and Avi Karvine, who is alleged to have read banned sections of the play at public performances.

Justman told the court that he learned that it was planned to put

on the play before a permit was issued by the board.

Justman said protest meetings were held claiming that the board had banned the play. "But that wasn't so," he said. He explained that the play was actually put on differed substantially from the text that had been submitted for board approval.

"The fact is that in the hearing on the appeal, the play wasn't banned and the theatre was advised to remove 18 lines," he said.

According to Justman, the theatre informed the board that it could not accept the proposal, and so the permit was not issued. Justman added that *The Patriot* was the first Hebrew play that had been disqualified in his six years as board chairman.

The trial will be resumed in two months. (Itim)

HABASH, HAWATMEH

(Continued from Page One) Another factor might be the growing strength of the rebels inside Fatah, which could have persuaded them that Arafat's control over his own organization was fast deteriorating.

Finally, they may have independently come to the conclusion that Arafat remains committed to a policy they not only reject on ideological grounds but which has

proven ineffectual in practical terms (Arafat's open overtures to Jordan to renew their dialogue last week may well have been the final straw).

At all events, with Habash's and Hawatme's apparent shift away from him, there can be little doubt that Arafat's position today is considerably less secure than it has been at any time since the Fatah rebellion broke out last May.

MODAI IN FRONT

(Continued from Page One) Finance Committee. The Herut ministers were disappointed that Deputy Prime Minister and Housing Minister David Levy refused to serve as finance minister and thus left them no choice but to look to the Liberals. The Herut ministers felt that despite his lack of economic knowhow, Levy would have had the charisma to convince the nation of the need for strong economic measures, and would even have brought the Histadrut around to a package deal scheme on the cost-of-living increment issue.

The Liberal ministers agreed among themselves that had Levy agreed to take the job, they would not have asked for it.

quest special credits from the government to avoid bankruptcies in the near future and to enable them to meet their obligations.

The same cabinet team is also to consider the size of compensatory payments to be made to welfare recipients following the slashing of food subsidies.

It was not clear last night whether the new finance minister, when appointed, will take over this team.

MINISTERS

(Continued from Page One) sions in the transfer of value added tax to the tax authorities.

Companies with liquidity problems caused by the closure of the Stock Exchange will be granted a 10-day delay in the transfer of these payments, after getting the approval of their national representative bodies, such as the chambers of commerce and the Manufacturers Association.

The chambers of commerce have already announced that they will re-

quest special credits from the government to avoid bankruptcies in the near future and to enable them to meet their obligations.

The same cabinet team is also to consider the size of compensatory payments to be made to welfare recipients following the slashing of food subsidies.

It was not clear last night whether the new finance minister, when appointed, will take over this team.

On the tenth anniversary of the death in action during the Yom Kippur War of our beloved

Segen Dr.

ALIK (ALEXANDER) WOLBERG ז"ל

we will hold a memorial service at the graveside on Wednesday, October 19, 1983 (12 Heshvan 5744), at 11 a.m. at the Military Cemetery in Beersheba.

Mother: Lydia Vilentchuk
Wife, Children and Sisters

We announce in great sorrow the passing on October 14, 1983 of our mother, grandmother, great-grandmother

ANNA LAUFER

formerly of Czechoslovakia and New York City at the age of 90.

Laufer Family

In deep sorrow we announce the death of

SYDNEY DAVID LEE

The Family

The funeral will leave from the Sanehedria Funeral Parlour today, October 17, 1983 at 12 noon for the Har Hamenuhot cemetery, Givat Shaul, Jerusalem.

Geologists barred from Cairo congress

TEL AVIV. — Two Israeli geologists were barred from an American-organized congress in Cairo and were returning to Israel, Yossi Bartov, head of the Israeli Geological Institute, said on Saturday.

Bartov said he was told by an Egyptian geologist, Professor M.A. El-Sharkawy, that the Israelis were turned away because of pressure from students at Cairo University.

(Galei Zahar reported yesterday afternoon that the Egyptian authorities had sent a message asking the geologists to return to Egypt, but that they could not be located.) The Israelis, Professor Dov Bahat

and Professor Arieh Shimron, were to have attended the International Conference on Basement Tectonics held every two years, but were told they were unwelcome after arriving at the university. Bartov said that at the previous conference in Norway, Egyptian geologists had assured him that Israelis would be able to attend the gathering in Cairo.

Bartov said the conference was organized by Patrick Barosh of Western Observatory in Massachusetts for the U.S.-based International Committee of Basement Tectonics. He said it is not affiliated with any government or UN agency.

Woman tries to set fire to policeman

Jerusalem Post Reporter

DALIA A-CARMEL. — A Dalia A-Carmel woman tried to set fire to a policeman who was accompanying three bailiffs to attach property for non-payment of income tax at her home yesterday.

She doused the policeman with kerosene from a jerry can but failed to set him alight because the

matches she was holding were also soaked.

When the policeman tried to arrest the woman, she was joined by other members of her family and neighbours who started shouting and throwing stones.

Police reinforcements were called and the woman and two other residents were arrested. The bailiffs then carried out their job.

Beit Sahur man held for killing daughter

A resident of Beit Sahur near Bethlehem was arrested Friday, as a suspect in the killing of his daughter for disgracing the honour of the family.

The man had been suspected that the daughter had been pregnant by his 25-year-old son. Police said

he stabbed the woman and buried her body near the house.

Police in Bethlehem learned of the killing 10 days later. They arrested both the father and son and exhumed the woman's body. A pathological examination of the body revealed she was not pregnant.

KOLLEK ATTACK

(Continued from Page One) entire ultra-Orthodox community. Secrecy was promised to informants.

The mayor came to a Jerusalem city council meeting yesterday looking healthy, but walking with a wooden stick. The meeting, a final festive meeting before the elections on October 25, was largely devoted to strong condemnations of the attack against Kollek.

All the parties in the council condemned the attack, but Agudat Yisrael abstained on the final resolution passed by the council.

The resolution, condemning the attack and warning of its consequences, calls on public leaders to avoid attempting to lighten the punishment of any of Kollek's attackers who are caught and sentenced. This was seen as a clear reference to Agudat Yisrael's attempts to help Natorei Karta demonstrators arrested for rioting this summer.

Rabbi Avraham Leizerov of the Aguda faction on the council confirmed last night that this statement made it impossible for the Aguda to support the resolution. Another part of the resolution calls on all the public to help police identify the attackers.

Aguda did, however, condemn the attack saying it contravened the essence of religious Jewry. MK Menahem Porush said yesterday that Aguda knows who the attackers are, and they can turn upon us too. He said the Aguda would intervene only if it deemed those arrested by the police "innocent."

Police have not yet said which group from within Jerusalem's ultra-Orthodox community was suspected in the attack. But Poalei Agudat Yisrael leader Shlomo Druk, who voted for the council resolution, said that the core of the Natorei Karta was responsible. There has been some speculation that members of the anti-Zionist, Satmar Hassidic community might have also been involved since they pray in a nearby synagogue.

The strongest condemnation of the attack came from the leader of the Likud faction in the city council, Yehoshua Matza. His condemnation came a day after Shlomo

Toussian-Cohen, who is running against Kollek in the elections, also denounced it.

Abraham Rabinovich adds: Leaders of the ultra-Orthodox community expressed reservations but no remorse at the attack on Kollek.

"Teddy Kollek deserves more punishment than he got," said Eda Haredit secretary Yosef Shenberger yesterday.

"Those who attacked him weren't behaving correctly because it is for heaven to judge, not man," Shenberger told The Jerusalem Post.

Shenberger told the instinctive reaction of the elders of the community had been that the attack was "out of order." Asked why the Eda did not condemn the attack in its posters and public statements, he said: "It's not that much out of order. It's not a sin."

Shenberger cited a list of grievances against the mayor including the proposed Shuafat stadium, Sabbath traffic on the Ramot road, support for the pool in Ramot and the City of David archaeological dig.

A young Mea She'arim activist, belonging to an even more militant faction than the Eda Haredit, told The Jerusalem Post that the attack on Kollek had been carried out by as many followers of Agudat Yisrael as Eda followers.

The activist, who did not personally participate in the attack, said that Kollek had been knocked down five times and hit in the forehead by a bottle ricocheting off a wall. "Anyone who could get at him was kicking and hitting. They wanted to humiliate him." He said the attack lasted more than half an hour.

"It was spontaneous. Some (hard) children saw him go into the (Persian) synagogue and when he came out there were adults waiting. At first they shouted, then they began hitting." The participants, he said, were not youths but adults, most in their 30s.

"From a logical point of view it makes no sense and from a humane point of view it makes no sense," said the militant. "But from a Torah point of view, it makes sense — he was dealt the law of the unbeliever (din ha-kofrim)."

With deep grief, we announce the passing of our dear

MANFRED (Fred) HOFMANN

The funeral will take place today, Monday, October 17, 1983, 10.30 a.m. at Kfar Samir Cemetery, Haifa. A bus will leave from the deceased's home, 8 Palmah St. (

HOME NEWS

Demonstrators demand world outcry for Begun

By JUDY SIEGEL
Jerusalem Post Reporter

The time is now crucial for the world to raise its voice on behalf of recently imprisoned Soviet Jewry activist Yosef Begun, former Prisoner of Zion Hillel Butman said yesterday at a demonstration in front of the Russian Orthodox Church in Jerusalem's Russian Compound.

Begun, a 51-year-old Hebrew teacher and refusenik, was sentenced on Friday by a Soviet court in Vladimir to seven years in prison and another five years in internal exile for "anti-Soviet slander."

"This is the time for us to act, since the Soviet authorities have to answer (Begun's) appeal of the sentence within a few months," Butman told *The Jerusalem Post*. "If the world doesn't act now, it may be too late afterwards." Butman carried a sign stating: "In America, you can get 12 years for murder. In Russia, all you have to do is study Hebrew."

Meanwhile, Knesset Speaker Menahem Savidor yesterday cabled an appeal to help free Begun to U.S. Vice-president George Bush, Speaker of the U.S. House of Representatives Thomas O'Neill and Pieter Dankert, president of the European Parliament.

"The Knesset solicits your vigorous protest and every practicable sanction against the horrendous injustice of the so-called Soviet court against Yosef Begun whose only crime was teaching Hebrew," Savidor's cable stated.

In Washington, the U.S. State Department said Begun's "courage in defence of religious freedom has earned him respect and admiration worldwide." It called upon Moscow "to acknowledge the legitimate widespread concern for the plight of Mr. Begun, and to grant him the permission to emigrate he has so long sought."

Butman said at the demonstration

that Prisoners of Zion should be regarded by Israelis like their PoWs in Syria. "At least war prisoners are watched over by the Red Cross and can send letters and tapes to their families. But the Prisoners of Zion are cut off."

The demonstration was held in front of the Russian Orthodox Church because it symbolizes the Soviet presence in Israel. The general public was not invited since the demonstration licence limited participants to a small number of people.

Butman said Israelis are generally apathetic to the Soviet Jewish issue. "It just came from appearances in Holland for the (Israel) Foreign Ministry, and there were 10,000 Dutch Christians demonstrating in the streets for Begun. Here we're all busy with inflation, the stock market and Lebanon."

The Israel Public Council for Soviet Jewry says it hopes masses of Israelis will turn out for their Begun demonstration outside the Knesset tomorrow at 3.30 p.m.

Former Prisoner of Zion Haim Margolin, who studied Hebrew with Begun until immigrating in 1974, said Begun "never fought against anything. He fought for the right to study and teach Hebrew and Jewish culture."

Margolin said that after Begun was fired from his job for applying to leave, he gave Hebrew lessons and informed the tax authorities of his income, inviting them to send him a tax bill. But, he added, they refused to take Begun's money, and instead accused him of being a "parasite."

Another former Prisoner of Zion, Yosef Mendelovich, said that when Soviet leader Yuri Andropov first took over, "some people thought the situation of the Jews would improve. But we who were in prison knew it wouldn't. Andropov was head of the KGB and he sent Anatoly Shcharansky and many other Jews to prison."



Former Prisoners of Zion demonstrate on behalf of jailed Soviet Hebrew teacher Yosef Begun yesterday at the Russian Orthodox Church in Jerusalem's Russian Compound. The sign on the mock coffin in the foreground reads: "The Hebrew language in the Soviet Union." (Dan Landau)

Druse go to Lebanon to check if soldier alive

By YOEL DAR
Special to The Post

DALIA AL-CARMEL — A Druse delegation left for Lebanon yesterday to try to ascertain if Samal Mo'in Rashad Halabi from Daliat al-Carmel was killed during the Yom Kippur War or is still alive and residing in Syria.

The family's suspicion was aroused when several local residents said they heard Mo'in speaking on Damascus radio on October 1 this year. Mo'in was officially reported killed in the line of duty on October 6, 1973 when the Syrians stormed and occupied

Mount Hermon. Several weeks later his body was buried at the military cemetery at Ushiya on Mount Carmel. His brother, Rushdi, said that the family did not identify the body but only saw his identity disc.

The Druse delegation reportedly intends to meet Lebanese dignitaries in the Shouf Mountains and to urge them to exert their influence with the Syrian authorities to tell them if the soldier is still alive or whether the broadcast was part of the psychological war against Israel.

Those who heard Mo'in are con-

vinced that the story must be true since the Druse soldier spoke in detail about his life in the village, even mentioning those who played football with him 15 years ago.

According to the radio broadcast, Mo'in was not killed in the Hermon battle but was slightly wounded in his leg and was captured by the Syrians. Some residents also said they heard Mo'in's voice once before, about three or four years ago, but they refrained from informing his family in order not to open old wounds.

They say that Mo'in complained that his family neglected him.

Cancer workshop teaching doctors to spot symptoms

By LEA LEVAVI
Jerusalem Post Reporter

TEL AVIV — Half of the 2,000 cancer patients who recently came for treatment at an oncological centre in the north of Israel got there too late — sometimes because the patient neglected the symptoms, and sometimes because the family doctor did not recognize cancer symptoms in time.

The Israel Cancer Society, with the help of the International Union Against Cancer to which it belongs, is holding a workshop at Kibbutz Sha'aim to change the situation. The purpose of the workshop is to make family doctors more aware of their role in preventing and diagnosing cancer, as well as educating patients about the disease.

A few hours before the workshop opened yesterday afternoon, the organizers held a press conference to explain the Dipec (doctor involvement in patient education about cancer) project, of which the workshop is the first step.

Doctors tend to be even more pessimistic than patients about the

outlook for cancer, according to Dr. David Reed of the international union. If a doctor has treated two or three terminal cancer patients, they often make more of an emotional impact on him than those cancer patients who have been cured. When family doctors are given current statistics, they become more optimistic.

"Even when the patient is going to die, he can be helped to die with dignity, love and tenderness, and the family doctor can play an important role in that," Reed added.

At the workshop, doctors are given guidelines on what symptoms should arouse their concern. For example, indigestion usually means a patient has eaten too much, but in some cases it could be a symptom of stomach cancer.

The workshop will consider what and how to tell a patient suffering from cancer and how to use the media and other means to educate the public about when the doctor should be consulted about symptoms which may be early signs of cancer.

Parliamentarians from Norway now visiting

Jerusalem Post Reporter

A Norwegian parliamentary delegation headed by Speaker Odvar Nordli, a former prime minister, arrived for a visit yesterday as guests of the Knesset.

The parliamentarians will be received by President Chaim Herzog and will visit the Knesset today and meet Knesset Speaker Menahem Savidor, Defence Minister Moshe Arens and Labour Party chairman Shimon Peres. The delegation will also tour the north.

A 200-strong delegation from Denmark, headed by Culture Minister Mimi Stilling-Jakobsen, will arrive on Wednesday for a ceremony at Yad Vashem marking the 40th anniversary of the rescue of Danish Jews from the Nazis.

FOOD — World Food Day, declared by the UN Food and Agriculture Organization, was marked yesterday at the Mt. Carmel International Training Centre in Haifa by the school's 42 trainees from 25 countries in Asia, Africa and South America and 40 foreign trainees studying at other Israeli institutions.

Sale of dollars reaches record level for a Sunday

Jerusalem Post Reporter

TEL AVIV — More dollars were sold yesterday than on any previous Sunday — but bankers refused to estimate the amount sold other than to say it "ran into many millions."

Sundays are generally an "off" day for dollar sales, since there are no prices from the capital markets abroad. But one banker estimated sales yesterday as equalling last Thursday and Friday — when panic buying was in fashion.

Yesterday, long lines formed at the banks, and even when the banks ran out of cash and had to order more. The lines did not disperse as on other days. Some people simply bought travellers cheques and others bought the dollar-equivalent to deposit in their Patam (foreign currency) accounts. But the sums were small since many lacked cash. However, the trend to

"breaking" the deposits in these Patam accounts, which are generally locked up for three months and bear interest, picked up momentum yesterday. This was happening despite the fact that "breaking" a deposit meant not only losing all the accumulated interest, but also paying a 2 to 3 per cent fine. The money redeemed was used to buy travellers cheques or banknotes, if available.

The banks themselves raised the price of dollars by about 1.5 per cent over Friday's rates, and thus the dollar sold for IS\$84.30. (In the Lilienblum Street black market some deals were made at about IS\$100.)

In the past, many people were ashamed to admit they were fleeing the shekel for foreign currency, but yesterday there were those who flaunted their dollar banknotes, pulling them out of their wallets to "show off" to friends.

Peace Now protests settlement costs

By MICHAEL ELIAN
Jerusalem Post Reporter

Peace Now demonstrated yesterday outside the Prime Minister's Office during the cabinet meeting, protesting against money going to West Bank settlements instead of helping ease Israel's economic woes.

The Peace Now activists put up an "altar" in which milk, margarine and sugar were depicted as being sacrificed to build settlements in the West Bank.

Some of their placards called for "linking" former finance minister Yoram Aridor's resignation with that of the government. Others were a take-off on nationalist slogans saying that the West Bank settlements of Ariel and Kedumim are

"inseparable parts of inflation."

The demonstrators distributed a booklet entitled *Everything you didn't want to know about settlement on the West Bank*. One chapter says that it cost the Israeli taxpayer between \$120,000 and \$150,000 to settle one family in the West Bank. Direct financial assistance to each of these families is about \$30,000 — triple the amount families moving to Israeli development towns get.

The booklet says the government spent at least \$200 million in settling the West Bank last year, triple the amount the government spent on Project Renewal in a three-year period. To accomplish the government's immediate goal of settling 100,000 Israelis on the West Bank, it will have to spend at least \$3b, Peace Now says.

Suit filed in U.S. court seeks removal of UJA tax exemption

Jerusalem Post Reporter

U.S. lawyer Mark Lane announced in Jerusalem yesterday that 11 petitioners, including four former West Bank mayors and a number of local Arab landholders, have filed a suit before the Washington, D.C. District Court demanding that the U.S. government retroactively remove tax-exempt status from American Zionist organizations.

Lane, who was legal adviser to the Rev. Jim Jones of the Jonestown mass suicide, said that MK Charlie Be'gon (Rakha) and Rabbi Moshe Hersh of Neturei Karta are among the petitioners.

According to the complaint, filed on October 6, American Zionist organizations, such as the World Zionist Organization, the Jewish Agency, the United Jewish Appeal,

the Jewish National Fund and Americans for a Safe Israel, Inc., violate American law by acting as agents of a foreign government.

Lane said that the money these organizations raise for Israel is diverted to "steal land from the Palestinian people, divert water from Palestinian farmers, deny basic freedoms — all contrary to stated U.S. policy."

"Yitzhak Rabin, Israel's spokesman for the UJA, categorically denied that funds raised by his organization in the U.S. were directed to settlements beyond the Green Line."

Rabbi Zelig Chinitz of the United Israel Appeal said the U.S. Internal Revenue Service and the U.S. Embassy in Tel Aviv closely monitor the tax-exempt funds it transfers annually to the Jewish Agency.

Reform Movement to start village on Galilee hilltop

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA — It's a long way from pledging to settle in Galilee during a weekend conference in Massachusetts to trekking to see the bare hilltop in Galilee earmarked for the settlement.

The four delegates, sent to spy out the land by the September weekend inauguration conference of Mitzpeh Halutz, are firmly committed to the scheme after two visits to the site last week. The Reform Movement community village is to be built on the Halutz hill, halfway between Acre and Safad in central Galilee.

The delegation was brought to Israel by Haim Sharet, the United Kibbutz Movement shaliach to the Reform Movement in the U.S., who initiated the scheme.

They intend to start settling at the site early in 1985. So far 24 families have joined the *garin* (settlement group), among them six families that include at least one former Israeli.

The *garin* members range in age

from 24 to 60. One of the families is already in Israel, 14 are to come next year and the rest are to follow in 1985. Eventually they hope to expand into a village of 250 families.

There is no land for farming at the site and most of the residents will work in neighbouring towns like Carmiel and Safad, or at the new Tefen high technology industrial complex.

During their week-long visit, the delegation met settlement officials, talked to other Mitzpeh settlers and explored job opportunities.

The Reform Movement has two kibbutzim, Yahel and Lotan, in the Arava.

Information can be obtained from: Haim Sharet, Union of American Hebrew Congregations, 835 Fifth Ave., New York, NY 10021. Tel: (212) 249-0100.

Itzhak Aharoni, Israel Action Group of the Reform Synagogues of Great Britain, 90 East End Rd., Finchley, London N3 2SY. Tel: (01) 344-672.

Nathan Heller, Zion Centre, P.O. Box 15, Johannesburg, 2000. Tel: 29 0417.

Miki Zilman, NETZER, P.O.B. 128, St. Kilda, Victoria, 3182. Tel: (03) 51 1488.

Rabbi Mendel Rotem, The Israel Movement for Progressive Judaism, Hamelach David 13, Jerusalem 94101. Tel: (02) 232 444.

25 principals complete academic programme

Jerusalem Post Reporter

BEERSHEVA — Twenty-five school principals from the Negev will graduate tonight from a two-year course at Ben-Gurion University, Malka Shai, co-ordinator of the programme reported.

The programme was set up to

enable the principals who have not been to university to fill in the gaps in their education. The principals attend classes 12 hours a week, in lieu of their regular duties, with no decrease in pay. At the end of the course, they receive a diploma, and 48 credit points towards a BA.

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Herzog lauds Haifa's Jews and Arabs

Jerusalem Post Reporter

HAIFA — President Chaim Herzog praised the excellent relations between the city's Arabs and Jews in a speech at the opening of the seventh annual Arabic book week at the Beit Hagefen Arab-Jewish Community Centre here last night.

He said Haifa was a shining example of the way the two communities enjoyed a peaceful co-existence based on equality, tolerance and understanding. It was in this atmosphere that the late mayor Abba Khouchy established the Beit Hagefen centre 20 years

ago, he said.

The president stressed the need to work for a deeper understanding between Arabs and Jews generally, adding that peace begins at home.

Thousands of readers are expected to visit the event. About 130,000 volumes are on display including, for the first time, books from Iraq and Kuwait. Among the many titles is a book by an Egyptian author about the peace treaty between Israel and Egypt, and a book, published in Beirut, on the recent Lebanon war, its background and aftermath.

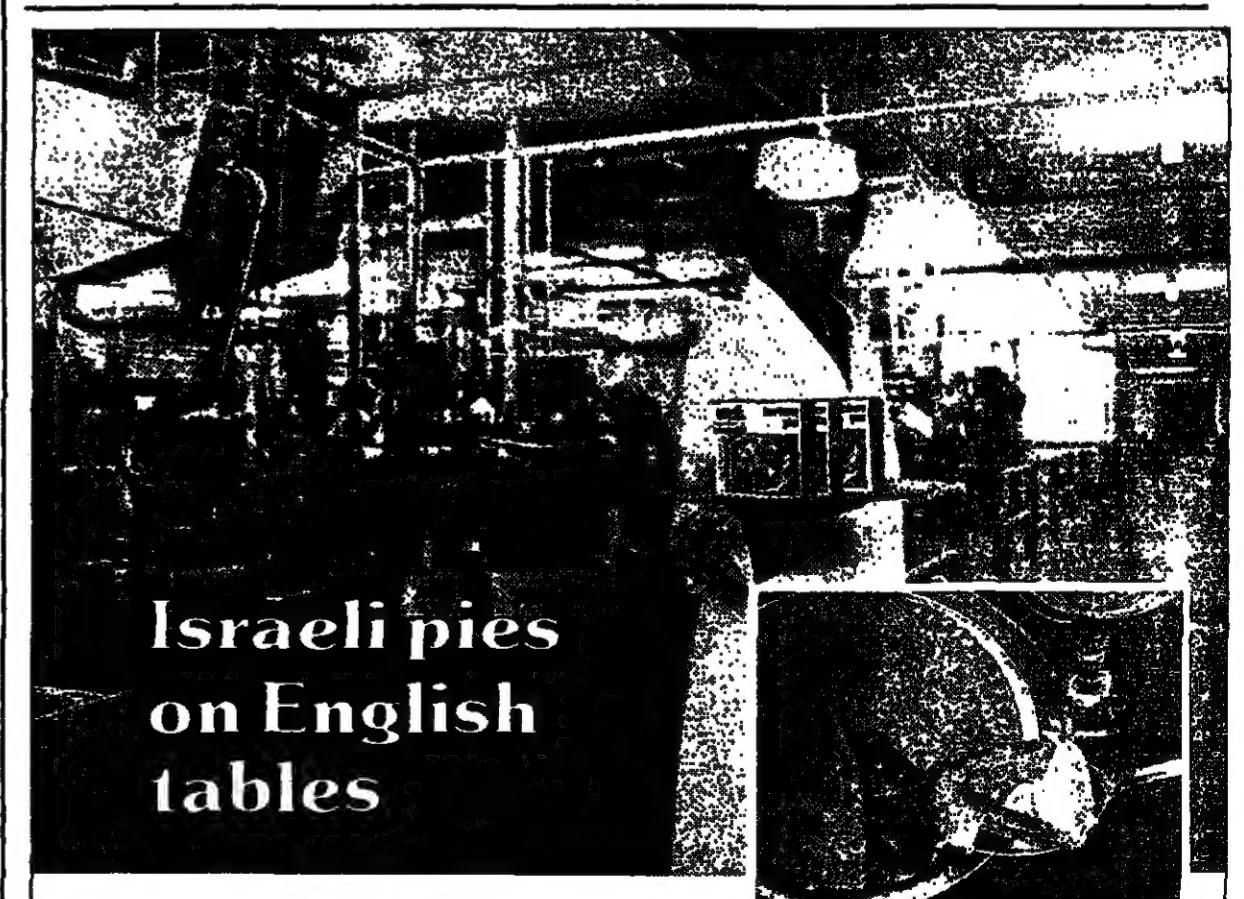
Money troubles cloud opening of B-G Univ.

Jerusalem Post Reporter

BEERSHEVA — While 5,500 students will begin the academic year at Ben-Gurion University of the Negev next week, it is still uncertain whether they will complete the year

because of the university's financial difficulties.

The university has cut its operating budget by \$2 million, administrators say, and any further cuts will cripple it.



Members of Peace Now demonstrate across from the Prime Minister's Office in Jerusalem yesterday. Some of the placards read: "Where has all the money gone? The West Bank swallowed it up." (Israel)

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Grenada PM reported arrested

ST. GEORGE'S. — Grenada's leftist Prime Minister Maurice Bishop has been reported under house arrest since Thursday and there was no word yesterday who was in charge of the Caribbean island's government.

State-owned Radio Free Grenada said on Saturday night people organizing demonstrations had been detained and the armed forces had issued a warning that they would take action against anyone causing disturbances.

The army accused Bishop of trying to create a one-man government.

"No one man can be above the majority," an army spokesman said in a radio broadcast. "Much as we of the People's Revolutionary Army love and respect comrade Maurice Bishop, we will definitely not

tolerate this development in our country."

The statement accused Bishop of resisting internal changes in the ruling New Jewel Movement that it said would strengthen the party and the government.

Earlier Saturday, a Bishop loyalist and cabinet minister, Kendrick Eadix, led a march demanding the prime minister's release and blamed the detention on Bernard Coard, Bishop's more radical deputy.

The army statement said the armed forces were investigating Bishop's possible involvement in spreading a rumour that Coard and his wife had plotted to assassinate the prime minister.

The Caribbean News Agency said that Coard had resigned on Friday to refute "vicious rumours" that he had tried to unseat and kill Bishop

in a move to carry the government further to the left.

Bishop, a 39-year-old British-educated lawyer, had become a friend of Cuba's Fidel Castro and sought to convert the island of 115,000 to a socialist state.

In Montego Bay, Jamaica Prime Minister Edward Seaga said Saturday that if the reports that Coard had taken over in Grenada are true, it means "Cuba is calling the shots" on the eastern Caribbean island.

"The first thing we need to find out is whether there has actually been a change in government," said Seaga.

Seaga, an outspoken critic of Bishop since the 1979 socialist coup in Grenada, said he suspected that a Coard ouster of the popular prime minister would not be well received by Grenadians. (Reuter, AP)

Genscher, Gromyko end arms talks

VIENNA (AP). — West Germany Foreign Minister Hans Dietrich Genscher, ending consultations with Andrei Gromyko, his Soviet counterpart, said yesterday that Moscow is still unsure whether to break off medium-range missile talks in case of new western deployment.

Genscher also warned of unspecified steps by the Soviet Union "on behalf of its own security and that of its allies," if NATO begins stationing 572 U.S. Pershing 2 and cruise missiles in Europe in December.

Genscher and Gromyko, commenting separately, said their talks did nothing to resolve the east-west deadlock on limiting the missiles, the subject of U.S.-Soviet negotiations in Geneva.

Gromyko, stopped by reporters and asked whether progress was made, said: "I doubt it."

Nazi spy chief passed secrets to UK

LONDON. — Nazi Germany's spy chief, Admiral Wilhelm Canaris, passed secrets to Britain during World War II, British newspapers said yesterday.

The Sunday Times and The Mail yesterday carried reports based on a book about British intelligence scheduled for publication this month. The book, *MI-6 1909-1945*, is by Nigel West, author of several well-informed works about Britain's secret services.

The intermediary for Canaris' disclosures was Halina Szymanska, the wife of a senior Polish diplomat who, aged 78, currently lives in the U.S. She confirmed the report to The Mail.

In 1941 Canaris told Szymanska in Bern, Switzerland, about Hitler's battle plan, code-named Barbarossa, to invade the Soviet

McNamara: New NATO missiles 'unnecessary'

HAMBURG, West Germany (AP). — Former U.S. secretary of defence Robert McNamara says the deployment of new NATO nuclear missiles in Western Europe is unnecessary, a Hamburg magazine reported yesterday.

"The weapons will increase neither the security of Western Europe nor the security of NATO," the magazine *Der Spiegel* quoted McNamara as saying in an interview. "I see no military necessity of any kind for their deployment."

McNamara, however, said he would support sending the 572 U.S.-built Pershing 2 and cruise missiles to Western Europe if the Europeans wanted them.

"But then it must be their decision, not the U.S.'s, and they would have to understand that it is their decision. Today it appears as though many Europeans believe the U.S. wants to force these missiles on them. That is not the case," McNamara was quoted as saying.

Kissinger willing to meet rebels

WASHINGTON. — Former U.S. secretary of state Henry Kissinger returned to the U.S. early yesterday from his Central American tour, asserting that the troubled region can attain peace and freedom, despite escalating conflicts.

Kissinger ended a six-day tour of six Central American countries by telling reporters that he and the bipartisan commission he heads are willing to meet with leaders of guerrilla groups in both El Salvador and Nicaragua.

He said no time had been set for the meetings but "in principle we will meet with both Salvadoran and Nicaraguan dissidents."

Asked if he would meet El Salvadoran rebel leader Guillermo

Ungo when Ungo comes to Washington on Thursday and Friday, Kissinger said that would depend on the commission's schedule.

Before leaving Nicaragua on Saturday, Kissinger, looking grim after a 45-minute meeting with the head of the Sandinista junta, Daniel Ortega Saavedra, read a terse statement.

"I said in El Salvador we should not be asked to choose between peace and democracy," Kissinger said.

Government officials in Managua interpreted Kissinger's remark as a warning that if Nicaragua did not adopt a model of democracy proposed by the U.S., the Reagan administration would continue

backing military operations by the rebels.

"Nicaragua finds that the present government of the U.S. has declared war on it, a war that is increasingly open," Ortega said on Saturday.

"We did not discard the political solution to the problem," Ortega said. "But we are confronting a situation of war and that's a fact."

He blamed the U.S. Central Intelligence Agency for rebel attacks on Nicaraguan fuel installations which, together with an announcement by the U.S. Exxon Oil Company that it would no longer charter tankers for deliveries to Nicaragua, have plunged Nicaragua into severe economic crisis. (AP, Reuter)

Sun photos may explain space dust origin

BOULDER, Colorado (AP). — Photographs by Japanese astronomers of rings around the sun could help explain the origin and composition of interplanetary dust, a scientist said Saturday.

"The Japanese image is a very beautiful result," said Robert MacQueen, director of the High Altitude Observatory, a division of the National Centre for Atmospheric Research.

"What they have provided for the first time is essentially a photograph, a two-dimensional photo, of the peaks of emission near the sun. It is the first such image that has been obtained."

A French scientist first theorized in 1927 that small particles of material spiral inward toward the sun, drawn by gravity, until they

vaporize and produce thermal, or infrared, radiation, MacQueen said.

But it wasn't until 1966 that MacQueen and Alan Peterson, a University of New Mexico scientist, confirmed that "the process really was going on," MacQueen said.

"We made observations during the eclipse of 1966 in Bolivia and a month later, I carried out a balloon flight with an instrument which was carried to 100,000 feet (30,480 metres) using special techniques to confirm the existence of the (vaporization) zones."

Since then there have been a number of efforts to study the zones, most of which had only limited success, MacQueen said.

The Japanese photographs were from a balloon carried high in the atmosphere during the eclipse of

June 11 that cut across Indonesia and Southeast Asia.

"The most interesting thing is that they have provided that image for the first time and one can now examine the image and I think deduce clues as to, firstly, the kind of material that is involved, and secondly, from how the dust is distributed around the sun, one can determine the origin of the dust itself," he said.

Currently, "the principal guesses are that the dust is composed principally of silicate (quartz) materials. The origin is more uncertain. It could be dust from the asteroid belt in the Solar System and it is slowly spiralling toward the sun. Or it could be that the dust is residue left from comets that pass through the Solar System," MacQueen said.

Japan's nuclear taboo

By KICHITARO KATSUDA

Japanese Prime Minister Yasuhiro Nakasone recently said it is time to "challenge taboos" on defence and to close the books on the post-war fear of military power. A hard look at these issues in Japan is long overdue. The defence issue is filled with taboos — from the war-renouncing constitution to the "strictly-defensive" security policy, the ban on arms exports, the denial of the right of collective self-defence and the three non-nuclear principles.

The toughest taboo to break is the last — that Japan will not produce, possess or permit the introduction of nuclear weapons. Reaffirmed by cabinets since 1968, these principles have become part of the national ethos. Japan has a "nuclear allergy" — an extreme sensitivity to anything nuclear — from power plants to weapons.

The press is largely responsible. Several major newspapers have been trying to whip up support for the nuclear disarmament movement. "Japan," they say, "is the only country in the world that has suffered the horrors of nuclear attack. The Japanese people must take the lead in the disarmament movement." Anyone who criticizes this advocacy is likely to be condemned as completely callous about human life.

The "nuclear allergy" may prevent the Japanese people from facing a hard fact: World peace today rests precariously on the East-West nuclear balance of terror.

People in countries who were once victims of Japan's militarism may doubt the new-found aversion to destructive weapons. One can imagine this skeptical analysis:

"Japanese behave like the heroes of the nuclear disarmament movement. But Japan was bombed because it was powerless to prevent it. If Japan had developed its own bomb, then the U.S., fearing reprisal, might not have attacked Hiroshima. Japan has cloaked its awareness of weakness and its victim mentality in the guise of moralistic leadership against nuclear weapons."

This might explain the hysterical reaction to Nakasone's support during the Williamsburg Summit last June of the deployment of theatre nuclear weapons in Europe. The *Asahi Shimbun* newspaper labelled his remarks "outrageous" and the opposition parties condemned them as a "betrayal" of the non-nuclear principles.

International politics is a game played for keeps and not always by the rules. To try to make everyone play according to Japan's moralistic dictates is silly sentimentalism.

The West is under propaganda attack from the Soviet Union. From covert support of the disarmament movement to missile rattling, Moscow is using every trick in its psychological arsenal. To the Kremlin, nuclear-allergic Japan probably looks like the weakest link in the Western chain.

If we were to begin to feel uneasy under the U.S. nuclear umbrella, we would be playing into Moscow's hands.

(Kichitaro Katsuda is a professor of political science at Kyoto University.)

LIBYAN LINK. — The president of the Tamil United Liberation Front, the political voice of Sri Lanka's minority Tamil population, has denied allegations that the party has links with Libya.

Israel Lands Administration
Central District

Even Yehuda Local Council

Arim
Urban Development Co. Ltd.

Owner-Occupier Construction in Even Yehuda

The Israel Lands Administration, in cooperation with the local council and Arim, announce the opening of registration for the above programme, under which 22 half plots will be allotted for the construction of 22 housing units.

Registration will begin at 9 a.m. on Tuesday, October 18, 1983 at the Even Yehuda Local Council office, and end at 12 noon on Tuesday, November 8, 1983.

Further details and a detailed prospectus are available at the local council office.

Israel Lands Administration
Central District

Offer for Lease of Plot for One Common-Wall Housing Unit at Rishon LeZion — Eastern Quarter Tender No. M/83/70

The Israel Lands Administration invites bids for a development contract, details of which at the time of publication of the tender, were as follows:

| Block | Parcel | Plot | Approx. area (sq.m.) | Total building % on 2 floors | Minimum price (US\$) | Deposit (IS) |
|-------|--------|------|----------------------|------------------------------|----------------------|--------------|
|-------|--------|------|----------------------|------------------------------|----------------------|--------------|

| | | | | | | |
|------|-----|---|-----|----|---------|--------|
| 4243 | 129 | A | 317 | 58 | 763,970 | 38,000 |
|------|-----|---|-----|----|---------|--------|

* Plot assessment as at present stage and development. Details, sample contracts and bid forms are available at our Tel Aviv district office, 88 Derech Petah Tikva, during regular working hours.

Deadline for submitting tender bids is 12 noon on November 16, 1983.

The Israel Lands Administration does not undertake to accept the highest or any other bid.

ENTERTAINMENT

TELEVISION

EDUCATIONAL:
8:30 Maths 6-9.00 Language and Com-munications 9-9.30 English 6-10.00 Geography 9-10.30 Rega and Dodi
11.00 Citizenship 11.25 English 5-11.45 English 7-12.05 English 8-12.30 High School Literature 13.00 Science 7-12.30 Music 15.00 Surprise Train 15.30 Touch
15.45 Follow Me — English for Adults
16.00 The Heart (Part 7) 16.25 Sunsum Street 17.00 A New Evening — live
18.30 Sports
19.27 Programme Trailer
19.30 News
HEBREW PROGRAMMES resume at 20.00 with a news roundup
20.02 Fame: U.N. Week
20.30 Beauty Spot
21.00 Mahat Newsreel
21.30 Taxi — new comedy series: The Lighter Side of Angela Matsua
21.55 This is the Time
22.45 Strangers — new British suspense series starring Don Henderson, Dennis Blanch, Fiona Mollison and Mark McManus. Re-run
23.15 News
23.25 TV (unofficial):
17.30 Cartoons 18.00 French Hour 18.30 (JTV 3) Little House on the Prairie 19.00 News in French 19.30 News in Hebrew 22.00 News in Arabic 20.30 Benson 21.10 News in Arabic 22.00 News in English 22.15 The A-Team

ON THE AIR

Voice of Music

6.02 Musical Clock
7.07 Verdi: La Forza del destino, Overture (Muti); Haydn: Duet for Violin and Cello in D Major; Ludwig Dichter: Concerto for 2 Flutes (Rampal, Wilson); Bach: Violin Sonata No. 3 in E Major (Stern, Zakin); Schumann: Cello Concerto (Jacqueline du Pre, Barenboim); Smetana: 3 Polkas, Op. 7 (Jan Novak); Borodin: Little Suite; Bol-shoi Concerto for Guitar and Jazz Piano; Winiawski: Violin Concerto, Op. 22 (Wanda Wilkomirski); Stravinsky: L'Histoire du soldat (Gidon Kremer, Karl Leifer, Alois Kontarski); Sibelius: The Swan of Tuonela; Dvorak: String Quintet, Op. 97; Beethoven: Excerpts from The Creatures of Prometheus
12.00 An Hour with Isaac Stern — Vivaldi: Concerto for Three Violins; Brahms: Sonata No. 2, Op. 100; Mozart: Concerto No. 2, K. 211
13.05 Musical Greetings
15.00 History of Music
15.30 Youth Concert
16.30 The Jerusalem Symphony Orchestra — Telemann: Trumpet Concerto (David Burkhardt); David Shaltoni; Khachaturian: Piano Concerto (Prima Saitman); Anatole Fistoulari; Debussy: Blanch, Fina Mollison and Mark McManus. Re-run
19.05 Famous Artists in Historical Recordings (repeat)
20.00 Jewish Folklore
20.30 From the 1983 Schubertiana in Hohenems, Austria — Violin Sonata in A Minor (Oleg Kagan, Vasily Lubanov); Arpeggione Sonata (Natalia Gutman, Vas-

ily Lubanov) From the 1983 Mozart Works in Salzburg, Rolf Weikert conducting — Divertimento, K. 251; Concerto for Three Pianos, K. 255, arranged for 2 Pianos (Alfons and Alois Kontarski); Recitative and Aria, K. 255 (Marina Lipovskaya); Symphony No. 40, K. 550
23.00 Contemporary Music — Ram Da-Oz: Rotomay (Favon-Hayman, Bart Bernman); Josef Dorfman: Trio, 1976 (Israel Trio); Dallapiccola: 3 Questions with 2 Answers
00.10 Music from the Distant Past
First Programme
6.03 Programmes for Olim
7.30 Light Classical Music — Works by Haydn, Telemann, Pachelbel, Beethoven, Tchaikovsky, Borodin, Bizet, Walton and others
9.00 Programme in Easy Hebrew
10.05 Encounter — live family magazine
11.10 Elementary School Broadcasts
11.30 Education for all
12.05 Sephardi songs
13.00 News in English
13.30 News in French
14.00 Children's programmes
15.35 Notes on a New Book
16.05 Afternoon Classics
17.12 Jewish Life
17.20 Everman's University
18.05 Speaker's Podium (repeat)
18.47 Bible Reading — Chronicles 24
19.05 Reflections on the Portion of the Week by Rabbi Zefania Drori
19.30 Programmes for Olim
19.55 Talk on academic matters
20.05 Every Man has a Star — with astrologist Ilan Pecker
Second Programme
7.00 This Morning — news magazine
8.05 First Thing — with Ehad Manor
10.10 All Shades of the Network — morning magazine
12.05 Open Line — news and music

13.00 Midday — news commentary, music
14.10 Taste of Honey
16.10 Questions and Answers on halachic matters
17.10 Economics Magazine
17.25 Of People and Places
18.05 Safe Journey
19.05 Today — radio newsreel
19.30 Law and Justice Magazine
20.00 Cantorial Music
22.05 Folk songs
23.05 Treasure Hunt — radio game
Army
6.06 Morning Sounds
7.07 University on the Air
7.30 "70" — with Alex Anski
8.05 Morning Newsreel
9.05 Right Now — with Michael Handelshtat
11.05 Musical Requests
12.05 Israeli Autumn — with Eli Yirmeli
13.05 University on the Air (repeat)
16.05 Four in the Afternoon
17.05 Evening Newsreel
18.05 Army and Defence Magazine
19.05 Music Today — music magazine
20.05 Israeli Rock
21.00 Mahat — TV Newsreel
21.35 University on the Air (repeat)
22.05 Popular songs
23.05 The Eastern front in Operation Peace for Galilee (repeat)
00.05 Night Birds — songs, chat
CINEMAS
JERUSALEM 4, 7, 9
Edna: Dama, Lotocau; Edna: Treasure of the Four Crowns; Kfir: Flash Dance; Mitchell: Breathless 7, 9; Orgil: Midnight Express 4, 6, 8, 9, 15; Orgil: Blue Thunder 4, 6, 8, 9; Orgil: How to Drive Girls Crazy; Roni: Local Hero; Senator: American Gigolo 7, 9, 15; Blayzed: Ha'men: One from the Heart 7
HAIFA 4, 6, 8, 9
Amphitheatre: Suicidal Bunch; Armon: For a Few Dollars More 6, 8, 9; Armon: Justice: High Road to China; Chani: Hair; Galeri: Just Before Dawn 10, 2, 6; Screen for Vengeance 12, 4, 8; Moriah: Table for Five 4, 6, 8, 9; Orgil: Blue Thunder 4, 6, 8, 9; Orgil: Clinic: Excuse me 6, 8, 9; Orgil: Flash Dance 6, 8, 9; Orgil: Treasure of the Four Crowns; Shavit: Nagus 6, 8, 9
RAMAT GAN
Armon: Blue Thunder 9, 30; Wonderful Detective Schwartz 4, 30; Lily: Breathless 7, 15, 9, 30; Orgil: Flash Dance 7, 15, 9, 30; Orgil: Table for Five 7, 15, 9, 30; Ramat Gan: Tootsie 7, 9, 30
HERZLIYA
David: Now and Forever 7, 15, 9, 30; Tiffet: Tootsie 7, 15, 9, 30
HOLON
Migdal: Hair 4, 30, 7, 15, 9, 30; Savvy: Kramer vs. Kramer 7, 30; From Russia with Love (daytime hrs.)
WHAT'S ON
Notices in this feature are charged at IS224.20 per line including VAT. Insertion every day costs 444.130 including VAT, per month. Copy accepted at offices of the Jerusalem Post and all recognized advertising agents.
Jerusalem MUSEUMS
Israel Museum. Opening Exhibitions: David Bomberg in Palestine, 1923-1927 (from 18.00). Counting Exhibitions: Moritz Oppenheim: First Jewish Painter. Tip of the iceberg No. 2. New Acquisitions of Israeli Art. Mario Merz: Italian artist. China and the Islamic World, ceramic influences (until 31.10). Oil Lamp Section: Permanent Collection of Judaica, Art and Archaeology: Primitive Art: Looking at Pictures: Permanent Exhibit in Pre-History Hall. Contemporary Israeli Art. Special Exhibitions: Yehoshua Neustein, Drawings 1983. Torah Finalists (Kinnunim) produced in Sao by Yememite Jewish goldsmiths at beginning of 20th century. Rockefeller Museum: Judean Kingdom: Fortress at Kadesh Barnea: Wonderful World of Paper (Palestine Centre next to Rockefeller Museum).
Visiting Hours: Main Museum 10.5-11.11. Guided tour in English, 3.30. Children's film, "Trot".

Sports

McEnroe defines a net-cord judge

SYDNEY (Reuter). — Wimbledon champion John McEnroe has been suspended from tennis for 42 days, after being fined \$1,500 for an outburst during his Australian Indoor Championship final win over Henri Leconte of France here yesterday.

McEnroe beat the 20-year-old Leconte 6-1, 6-4, 7-5 to take title for a fourth successive year.

The 24-year-old world number one was fined after receiving a code of conduct warning for abuse of an official. McEnroe said he would not appeal against the penalty. The period of suspension will be halved if McEnroe does not play any exhibition tennis, and he can then play in the Australian Open beginning November 28.

The fine took the American's total fines this year to \$8,300, 5800 over the limit set by the men's International Professional Tennis Council, incurring automatic suspension.

Tournament referee Bill Gilmour imposed the fine after conferring with officials after the match. In an official report, Gilmour said McEnroe had said to net-cord Judge Barry Hill: "How many imaginary net calls are you going to make, you fat turd?"

McEnroe, playing with superb touch and control, needed only 113 shots to take the three sets. His serving was amazing and he displayed a dazzling variety of shots to baffle poor Leconte. "I haven't played that well since Wimbledon," McEnroe said.

Women's meet in Ashkelon

By JACK LEON
Post Sports Reporter

TEL AVIV. — The country's first-ever professional tennis tournament for women is taking place at the Ashkelon Tennis Centre this week, with an expected entry of 26 players from abroad and a dozen local girls. The \$10,000 meet starts today with a small qualifying event in singles, with the four semi-finalists going through to the 32-strong main draw. The tournament proper gets underway at 2 p.m. tomorrow and continues through Saturday. Foreign countries represented are Argentina, France, Sweden, Italy and

West Germany. The seedings are headed by Danish champion Tine Scheer-Larsen, Britain's no. 2 under-18 racket Elizabeth Jones, and ranking Swiss players Eva Kraple and Karin Stampfli. Heading the Israeli challenge are Orly Bialostocki and Rakefet Binyamin, who are direct entries in the main singles draw along with Ilana Berger, Sagit Doron, Sarit Shalev and Ruthi Sverdliff.

The 10-match meet is organized by the Israel Tennis Association and sponsored by Gali Sport. It is part of the Women's Tennis Association's annual program, with computer picks as well as prize money at stake.

AROUND THE WORLD

Sex killer linked to 15 murders

ST. JOSEPH, Missouri (Reuter). — A man who confessed to the sex killing of a four-year-old boy may have knowledge of 15 other murders across the U.S., the Federal Bureau of Investigation said on Saturday.

Charles Hatcher, 54, confessed on Thursday to the sexual assault and murder of Eric Christgen of St. Joseph in 1978. His confession freed Melvin Lee Reynolds, who was serving a life sentence after being wrongly convicted of the crime four years ago.

"If there are other victims out there, there may be other (people like) Reynolds out there," an FBI

investigator said. Authorities quoted Hatcher as saying he had information on other bodies — but that before he would discuss them he wanted to clear Reynolds.

Investigators from other states are interested in interviewing Hatcher, who has a criminal record dating back to 1947, authorities said.

Hatcher is also charged with the murder of Michelle Steele, 11, who was killed after being sexually assaulted. Like Christgen she was last seen in St. Joseph and her body was found near the Missouri River.

Turks begin first electioneering since coup

ANKARA (Reuter). — Turkey's political parties started official campaigning yesterday for November 6 general elections, the first electioneering allowed since the 1980 military coup.

The leaders of the three parties approved by the military to contest the elections were holding open-air rallies in three politically significant provinces.

Parkinson to remain MP despite love affair

LONDON (Reuter). — Former British cabinet minister Cecil Parkinson, who resigned over a love affair with his ex-secretary, said yesterday he planned to remain in politics.

He added: "I do not intend to resign as a member of Parliament."

British soldier killed in N. Ireland ambush

LONDONDERRY, Northern Ireland (AP). — A British soldier was killed late Saturday and another was wounded when guerrillas ambushed a military patrol, triggering a bomb and opening fire with a high-powered rifle, police reported.

Bomb in temple injures two in north India

NEW DELHI (Reuter). — Two men on a motorcycle threw a bomb into a Hindu temple in the troubled north India state of Punjab yesterday creating panic among worshippers and injuring two people, the Press Trust of India (PTI) news agency reported.

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Resource Person

Clark's Move to Interior Makes External Waves

By STEVEN R. WEISMAN

PRESIDENT REAGAN'S abrupt decision to nominate William P. Clark, the national security adviser, to be Secretary of the Interior had immediate implications for foreign and domestic policy, campaign politics and the Reagan Presidency. It also offered a window on the relationship of two close friends and on a paradox of the President's style. Reliant as he is on his aides for guidance, Mr. Reagan's independence of mind can still startle.

Mr. Clark was not on any original staff list of candidates to succeed Interior Secretary James G. Watt, who resigned a week ago after Senate passage of a measure calling for his ouster became a certainty. Neither James A. Baker 3d nor Michael K. Deaver, the White House chief and deputy chief of staff, was reported to be happy with the Clark choice. Though both had had sharp differences with Mr. Clark in the White House, both also wanted to fill the Interior post with a political figure who could reassure Mr. Reagan's western political base and defuse the hostilities of environmental groups.

Mr. Clark's move to the Interior Department of Mr. Clark, trouble-shooter under Governor Reagan in California and under President Reagan as Deputy Secretary of State in 1981, was in the Reagan tradition of assigning trusted confidants to tough jobs even if they had no special qualifications. But to allies and critics alike, it was astounding that Mr. Clark would be willing to walk away from his position as the Administration's most influential foreign policy official. His friends said they were less surprised. They portrayed Mr. Clark as increasingly frustrated that what one associate called "the day-in and day-out battle with a variety of antagonists."

After nearly three years of immersion in foreign policy issues, Mr. Clark could not shake a reputation of being out of his depth. His conservative allies praised what they felt was his common sense, and his willingness, when others cringed, to use or threaten military force in Central America and the Middle East. But critics, even friendly ones, complained that he lacked the capacity and experience to deal with Congress, manage arms control talks with the Soviet Union and cope with

the problems of European allies.

Mr. Clark was hardly helped by the fact that Mr. Reagan's own competence in this area has been called into question. Two weeks ago, for example, the President told a group of Congressmen that he had not realized until recently that most of the Soviet Union's nuclear defenses were concentrated in its system of heavy land-based missiles. Mr. Reagan reportedly added that he realized now that his proposals for the Soviets to dismantle their heaviest missiles, without similar concessions by the United States, were interpreted by many as one-sided. Several listeners said afterward that while they appreciated Mr. Reagan's new negotiating flexibility they were flabbergasted at his comment and wondered whether Mr. Reagan was being sufficiently briefed on critical issues.

Even Mr. Clark's foes, however, say that he got Mr. Reagan to focus more on foreign policy matters than the President had in his first year in office. Rangy, taciturn, and seemingly miscast among the mountains of briefing materials on his desk, Mr. Clark struck many associates as willing to serve in the national security job only out of loyalty to Mr. Reagan. But his self-confidence often carried in his battles with associates. To the chagrin of many at the State Department, he got Mr. Reagan to take a hard line in Central America. Yielding to State and Commerce, he went along with a softer line on tightening export controls with the Soviet Union. In the Middle East, he successfully opposed both State and the Pentagon in getting Presidential approval of the use of naval firepower against Syrian positions in Lebanon.

By week's end, various factions at the White House united behind Robert C. McFarlane, Mr. Clark's deputy, as the successor. But both Defense Secretary Caspar W. Weinberger and William J. Casey, director of Central Intelligence, reportedly worried not about Mr. McFarlane's competence but about the strength of his personality and his ability to command the President's attention. Conservatives, meanwhile, pushed for Jeanne J. Kirkpatrick, who serves as United States representative to the United Nations. Some moderates tended to favor Brent Scowcroft, national security adviser to former President Ford; also being mentioned by conservatives were Mr. Weinberger and Secretary of the Navy John Lehman.

Whoever is chosen, "The 'Big Four' will revert to the



William P. Clark And His Role

Close friend of the President. Chief of staff when Reagan was Governor, bringing order and overseeing reorganization of California's executive branch. Developed concept of single-page memo used in Sacramento and in White House. Appointed to California's Supreme Court. Despite having by his own admission "no formal training in foreign policy," was appointed Deputy Secretary of State in the new Administration. Later became national security adviser and perhaps the Administration's most influential foreign-policy figure. Forceful advocate for vigilance in Central America. Regarded as hard working, no-nonsense. Grew up on cattle and sheep ranches, attended rural schools. Owns 880-acre ranch. Fourth-generation Californian.

Interior Department

Custodian of the nation's land holdings and many of its parks, wilderness areas and wildlife refuges. Administers more than 500 million acres, with trust responsibilities for an additional 50 million. Budget of \$6.4 billion; 57,647 employees. Duties include protection of endangered species, development of mineral and water resources, reclamation of drylands. Responsible for oil and mineral leases on outer continental shelf tracts, mineral leasing on Federal lands, conservation of wildlife resources, protection of historic areas. Shares responsibility for several manpower training programs. Administers economic development, education and some welfare programs for Indians.

The New York Times/D. Corton; Black Star/D. S. Barclay

"Big Three," Mr. Baker, Mr. Deaver and Edwin Meese 3d, counselor to the President, said a Reagan adviser. "That's got a lot of people in the Administration worried." "There's a lot of unhappiness on the right with Bill leaving," said a senior foreign policy official. "The hardliners are demoralized. A lot of us felt, no matter how bad things got for us, you could always call Bill. With that gone, I think Reagan needs to worry about the enthusiasm he can command among conservatives. There are no Reaganites left any more." But longtime aides reminded each other that Mr. Clark continued as a close adviser to Mr. Reagan even while serving as an associate justice of the California Supreme Court, and that he could easily do so again from the Interior Department. Some White House officials did not discount the possibility that he would be back if the President won re-election, next time as the White House chief of staff.

In the end, the surprise decision of "the judge" to leave Mr. Reagan's inner circle appeared to these aides to have been an intensely personal one. Mr. Reagan's decision to let him go appeared to be an equally poignant and personal turning point. Although Mr. Clark won many of his battles, friends reported that they took a toll. A close associate, going further, said Mr. Clark recently told colleagues someone else might well have "fresh ideas" on solving the problems in Lebanon and that "maybe others can take the ball and run farther" in arms control. "Bill became so frustrated and disappointed, he just decided he wanted to serve in less of a hot spot," said a longtime Reagan adviser. A way out arose after Mr. Watt got into trouble. Mr. Clark was said to have briefly raised with Mr. Reagan the idea of replacing the Secretary the day before Mr. Watt resigned.

Major News

In Summary

'Cease-fire' Takes Its Toll Of Americans

A cease-fire appeared to be holding in Beirut last week but what lapses there were had devastating effects on Americans. A sniper's bullet killed a marine as his jeep crossed a Shiite slum neighborhood near the airport. Another marine was wounded nearby and a third was slightly hurt by a grenade tossed from a car as he guarded the American embassy's offices.

"Somebody is trying to draw us into the conflict," a Marine Corps spokesman said. Bearing him out yesterday, there was a further exchange of fire in which marines killed four snipers and wounded 10 others. (In separate incidents yesterday, two French members of the multinational force were wounded.) Five marines have died under fire, one in a terrorist bombing and another in an accident since they joined the multinational peace-keeping force in Lebanon 13 months ago.

President Reagan has declined to certify that the marines are in hostilities, despite Congressional assertions that this has been so since August and that War Powers Act restrictions thus apply. Last week, as both sides of the debate claimed a victory on the War Powers issue, Mr. Reagan signed legislation extending the marines' stay for 18 months more. He promised to keep in touch with Congressional leaders but insisted he was not ceding any of his authority as Commander in Chief.

Robert C. McFarlane, the special envoy who helped arrange the Sept. 26 cease-fire, returned to Washington for consultations amid speculation he might be getting a new assignment. The President called a meeting of the National Security Council for Tuesday to consider a new effort to engage Israel in a closer strategic relationship, partly to offset growing Syrian and Soviet strength in the Middle East. Mr. McFarlane, who has retained a council post as deputy national security adviser, conferred with Secretary of State George P. Shultz and other top

officials in a wide-ranging review of Middle East policy. Other topics included the viability of the five-month-old Lebanon-Israel withdrawal agreement, opportunities to revive Mr. Reagan's proposals for Palestinian autonomy in the West Bank linked with Jordan, and Iranian threats to shut off Persian Gulf oil shipping.

A secret Administration plan to equip two Jordanian brigades to assist friendly Arab countries was disclosed in Israel, which made no secret of its opposition to the idea. Congress has blocked earlier proposals by several Administrations to modernize Jordan's armed forces.

In Beirut, President Amin Gemayel complained in an interview with

The New York Times that Washington had pushed him into the agreement on withdrawal of Israeli forces last May without nailing down an accord with Syria. Damascus retaliated by supporting anti-Government forces during a month of bloody civil war. Negotiations for a new national reconciliation accord, Mr. Gemayel said, were "a camouflage, a distraction" from the main task of getting all foreign troops out.

Representatives of most of the warring Lebanese factions met in Beirut for the first time in years. They reported agreement on topics to be discussed by the factional leaders at a meeting Mr. Gemayel has called for this Thursday.

Hearing It From Central America

At the rate of a country a day, a special Presidential commission headed by Henry A. Kissinger got an earful last week of what's wrong with Central America.

As usual, the centers of attention were El Salvador, which is fighting a guerrilla war, and Nicaragua, which is accused of abetting it.

Honduras, which has been cooperating with United States efforts in both neighboring countries, put in a bid of its own. It requested a tenfold rise in military aid, to \$400 million over the next three years, plus \$500 million in economic assistance. A Government spokesman explained that after two years of civilian rule, many Hondurans were "indifferent" to democracy because of poor economic conditions. Mr. Kissinger said it was unclear what priority the Honduran requests would receive.

The commission is supposed to recommend long-range policies for preserving the region from Marxism and promoting peace and democracy. But some of the contradictions in this process were apparent as the 12 members looked into El Salvador's new wave of rightist attacks on so-called leftists, including labor leaders. The attacks in the name of anti-Marxism prompted a public lecture from Mr. Kissinger on the need to preserve and extend principles of democracy and human rights.

"Americans should not be asked to choose between security and human rights," the former Secretary of State said after meeting with Salvadoran President Alvaro Magaña. Nicaragua got special diplomatic treatment. The commission made the country its last Central American stop yesterday, but earlier, Langhorne A. Motley, Assistant Secretary of State for Inter-American Affairs, visited Managua to sound out the Sandinista leaders on their willingness to negotiate a regional settlement.

Nicaragua and the United States have stated support for a peace plan put forth by the Contadora group — Colombia, Mexico, Panama and Venezuela — but clashing views of how to carry out its provisions were exchanged. The United States wants Nicaragua to end arms trafficking to El Salvador and to hold free elections. Mr. Kissinger charged the Sandinistas with "great political and subversive pressure" on their neighbors.

But the Sandinistas also had grievances about subversive pressure — attacks by Nicaraguan rebels operating from Honduras and Costa Rica with United States support.

Last week the Sandinistas had more cause for anger than usual — the near-destruction of oil installations in the port of Corinto. Reagan Administration officials said yesterday the Central Intelligence Agency



Salvadoran President Alvaro Magaña with Henry A. Kissinger last week.

had recommended and planned the rebel attack on Corinto and other industrial targets as a means of harassing the Sandinistas.

Before meeting with Mr. Kissinger, Daniel Ortega Saavedra, the Nicaraguan junta coordinator, said he was formally asking foreign governments for "military means to defend our coasts and our airspace."

Marcos Tries Another Tack

Despite President Ferdinand Marcos's most vigorous efforts to dispel it, the ghost of Benigno S. Aquino Jr. continues to haunt the Philippines. Last week, the high-level commission the President had appointed to investigate the murder of Mr. Aquino, the opposition leader, abruptly quit, in response to widespread doubts about its impartiality.

The commission had been stymied by lawsuits and skepticism that Marcos appointees would find the culprit. The first chairman, Chief Justice Enrique Fernando, took the criticism seriously and quit. The President's next choice as chairman, Arturo Tolentino, a Foreign Ministry official, rejected the job as "cosmetic." Five other commission members — four retired Supreme

Court justices and a member of Parliament — also quit.

Some opposition politicians have accused Mr. Marcos of ordering the assassination; others blame the military. In Manila last week, 20,000 onlookers applauded as 7,000 women marched through the financial district calling on the President to resign. Instead he launched a new eight-member commission, offering to appoint two members of the opposition (which has rebuffed his earlier invitations to join the inquiry) as well as members of the National Assembly and others to be nominated by businessmen, lawyers, students and labor organizations.

The Government said it would "clear up, once and for all, any suspicion of whitewash."

For starters, it could dig into conflicting accounts as to whether the guards who took Mr. Aquino into custody at Manila airport on Aug. 21 were armed. (Two were found to have nitrates on their hands, a possible sign of having lately fired a gun.) Also disputed were the relative heights of Mr. Aquino and his presumed assailant, Rolando Galman, who was killed immediately after Mr. Aquino.

Some Government reports had Mr. Galman shorter than the opposition leader but an autopsy showed the bullet that killed Mr. Aquino followed a downward trajectory.



Honor guard with coffin of South Korean official killed in Burma. Bearers wear masks in the belief the dead must be protected from contamination.

South Korean rebuilds his shattered Government

2

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The World

Protests Turn Left in Chile; Seven Killed

After taking something of a back seat to centrist groups, Chile's Communist and Socialist Parties showed their strength last week in the continuing attempt to end Gen. Augusto Pinochet's 10-year regime. Some 40,000 people turned out for a leftist demonstration, one of the largest in Santiago since the Pinochet forces overthrew and killed the Marxist President Salvador Allende Gossens in 1973.

Clashes with the police during three days of violence that followed the demonstration caused the death of seven people. More than 60 have died in five months of unrest. But working-class neighborhood demonstrations were smaller than past ones. "Maybe people are getting tired of doing the same thing every month without any results," a Roman Catholic priest suggested.

Thus far the armed forces and the police have stood by General Pinochet, who may be counting on lassitude to hold out against the opposition. Labor unions, however, announced another protest for later this month.

The regime could also draw encouragement from the split in opposition ranks. Leaders of the Democratic Alliance, a coalition of five moderate parties, refused to back the latest rally largely because of political differences with the left.

But some followers of the Christian Democrats and other centrist groups turned out anyway.

When a Debt Pays a Debt

The finances of many debtor countries are so weak that only new loans will repay old ones; it is called restructuring. Last week, Brazil, the biggest of the third world debtors, was out trying to persuade about 800 banks to go along with a plan to extend \$6.5 billion in new funds so it won't have to default on some of the \$90 billion it owes.

The plan worked out with the 66 biggest creditors the week before last could collapse, creating banking havoc, if smaller creditors refuse to go along. The president of Brazil's central bank, Alfonso Celso Pastore, began his selling job at the American Bankers' Association meeting in Hawaii and will continue in London this week. Reportedly, he was seeking formal approval by November and was hoping for about half the \$6.5 billion before the end of the year.

Brazil's neighbor, Argentina, is in similar trouble but was getting less cooperation. A failure to keep up with interest payments on some of its \$40 billion debt led to delays by foreign commercial banks in disbursing a third of a \$1.5 billion medium-term loan that Argentina contracted in August. Last week, bankers in New York said the postponed disbursement would not be made on

Oct. 28 if Argentina doesn't catch up on its interest payments by then. It was a Catch-22 situation for Buenos Aires, which needs the new money to cover reimbursement of another loan made earlier this year.

Tension Grows Over Iraq Planes

Whatever their value under combat conditions, the five Super Etendard jets France has promised to Iraq have already served as a reminder of the potential dangers of the three-year-old Iran-Iraq war. Officials in Washington confirmed French news reports that the planes were delivered last weekend. As launchers for French-built Exocet missiles already on hand, the planes were expected to give Iraq the potential to knock out Iranian oil-loading facilities and shipping. But Saddam Hussein, the Iraqi leader, said with a show of impatience that the planes

still hadn't arrived.

Teheran threatened anew to block the Strait of Hormuz, the conduit for much of the world's petroleum, if Iranian oil shipments were halted. The Reagan Administration has said it would take any action necessary to keep the shipping lanes open. Last week, 2,000 marines were en route from the Mediterranean off Lebanon to join a 25-ship American flotilla, headed by the aircraft carrier Ranger, in the Indian Ocean south of the strait. Four additional Navy destroyers or frigates were inside the Persian Gulf.

American officials said it would be difficult for Iran to mine the strait's swift deep waters but that Navy helicopter minesweepers could be brought in if Teheran succeeded. The Pentagon also said Iraqi pilots would need four to six weeks of preparation before flying the planes in combat.

French Foreign Minister Claude Cheysson played down the Super Etendards' importance. "Several dozen ships have been sunk since the

beginning of the war by both sides," he said. Iraq, which has 330 combat planes, not counting the new ones, claimed it sank two Iranian ships last week.

The French Government, declining to tell Washington where the planes were, floated a proposal for a United Nations-organized ban on all military operations in the Gulf. But Hojatollah Hashemi Rafsanjani, Speaker of the Iranian Parliament, disparaged "the United Nations, human rights organizations, Washington, Moscow, Paris and people elsewhere who avow a concern for peace." All, he said, are "liars" who really want to keep the Gulf war going.

Food Emergency Sweeps Africa

All across Africa, drought is causing potentially calamitous food shortages. Experts said four million

tons of emergency grain were needed to avert mass starvation in 18 parched African countries with 120 million people.

Countries at risk include Botswana, Cameroon, Cape Verde, Chad, Ethiopia, Ghana, Djibouti, Lesotho, Mali, Mauritania, Morocco, Mozambique, Swaziland, Tanzania, Togo, Zambia and Zimbabwe. The United Nations' Food and Agriculture Organization added South Africa to the list, even though it is richer than the others and can afford to pay for imports, because its tribal homelands (which are not recognized abroad as independent countries) are reportedly facing critical shortages.

Drought in some parts of Ethiopia was approaching the dimensions of 1974, when 200,000 people are thought to have died, helping bring on a revolution. Many of the countries bordering the Sahara have not experienced a good year for rainfall since 1968.

Milt Freudenheim and Henry Ginzler



Kakuei Tanaka

Tanaka Loses Bribery Case but Keeps Fighting

AFTER being found guilty last week of accepting the equivalent of \$2.1 million in bribes, former Prime Minister Kakuei Tanaka strode out of the Tokyo courthouse looking more like a head of state than a convicted criminal.

As the leader of the largest faction in the ruling Liberal Democratic Party, Mr. Tanaka, at 65, remains one of the most powerful politicians in Japan despite the verdict. He was convicted of taking 500 million yen in bribes when he headed the Government in the early 1970's to arrange the purchase of Lockheed Tristar jets by All-Nippon Airways. He was sentenced to four years in prison and a fine equal to the bribe. But he is out on bail and appeals to higher courts could add 10 more years

to a case that has already dragged on for more than seven years.

Mr. Tanaka, who has a well-deserved reputation for un-Japanese directness, declared that he had no intention of surrendering his seat in Parliament. His defiance prompted opposition politicians and the heads of rival Liberal Democratic factions to intensify demands he step down and to attack his "arrogance" for refusing to accept responsibility, if not guilt, for tarnishing the reputation of the party that has ruled Japan since 1955.

The Tanaka problem must be dealt with by Prime Minister Yasuhiro Nakasone, who would not have gotten the office last November without Mr. Tanaka's support. The furor has brought work in the Diet to a standstill. Mr. Nakasone is expected to call an

election to strengthen his mandate in late December or early January; political analysts expect the party, instead of gaining, to lose some seats, but not many.

Mr. Tanaka's continuing power is explained mostly by his efficiency as a political operator. In his 36 years in Parliament, he has proven that he is Japan's foremost practitioner of the political art: manipulating other politicians and the bureaucracy, raising money and delivering Government largesse to his constituents. But his power may be waning, because of changed economic conditions as well as the Lockheed case. With slower growth and huge Government deficits, the wherewithal to play Mr. Tanaka's pork barrel style of politics is dwindling.

—STEVE LOHR

Korean President Blames North for Death of Aides but Acts With Coolness and Restraint

Chun Rebuilds His Shattered Government

By CLYDE HABERMAN

SEOUL, South Korea — A Confucian concept holds that some rulers are ill-starred, and that whether or not their misfortune is their fault is not particularly relevant. Such leaders are regarded as having lost their "mandate" from heaven and perhaps having become too great a burden for their subjects.

Some people in Seoul last week wondered whether in this sense the mandate of South Korean President Chun Doo Hwan might be wearing perilously thin. Hard on the heels of the Soviet downing of a Korean Air Lines plane that left 269 people dead, a bomb blast in Rangoon killed 17 South Koreans including top members of Mr. Chun's Government. Three Burmese also died and 46 people were injured.

President Chun, however, escaped harm, which might suggest that he retained his mandate after all. After the Burma incident, which he called a North Korean attempt to kill him, his position seemed, if anything, to be stronger than before. More than a few South Koreans who are not his great admirers were impressed by the way Mr. Chun moved quickly to show that he was still in charge and that continuity would be maintained. After the mass funeral for Rangoon bombing victims, he re-

placed four Cabinet ministers and two close personal advisers who had been killed. And he installed new people in several other positions.

There had been speculation that Mr. Chun — a former major general who has gradually begun to rely less on the military and more on civilians — might retreat back toward the army. He did not. None of the new Cabinet selections was a soldier, although the holdovers included military men.

"The Government," said a European diplomat, "is Chun's Government. It's nobody else's. It never has been." That does not mean he has become popular since he seized power three years ago after the assassination of President Park Chung Hee. At that time, a civil uprising broke out in the city of Kwangju and was harshly suppressed by the army. Crackdowns on dissidents and the banning of opponents from politics has eased in recent months but controls are still tight. Government figures have been repeatedly implicated in questionable financial dealings.

But even Mr. Chun's opponents were relieved that he had survived the attack — apparently by a fluke when his car became stuck in traffic and he was late in getting to the Rangoon ceremony where the bomb went off. "If he had been killed, the chances for a change to civilian government were less than 50 percent," a political scientist

said. "The military people would have been fighting; you would not have had a smooth time. I think even opponents would hesitate at the alternatives to Chun's staying in power."

Dissident activity fell off sharply after the Rangoon explosion. Apparently no one thought the time was ripe to denounce the Government. But the quiet may not last. Anti-Government protests also subsided immediately after the Korean airliner was shot down on Sept. 1. But that incident was soon followed by a greater-than-normal number of on-campus student demonstrations.

Despite the general assumption of continuity in government, it was not clear what would happen in several basic areas. Domestically, the deaths of two principal economic planners, Kim Jae Ik and Deputy Premier Suh Suk Joon, may produce policy changes. Mr. Kim's program of "liberalization" called for less direct Government guidance of the economy, which has been performing well this year.

Militarily, there were big questions about what to do if hard evidence emerged linking North Korea to the bombing. The Government has managed to keep harsh rhetoric to a minimum, leaving that assignment largely to the well-regulated press, which has maintained a drumbeat of attacks on North Korea. The inclination, strongly endorsed by American officials, is to do nothing

rash. Both North and South Korea have hundreds of thousands of troops massed along the border and the risk of war is always high. Yesterday, Mr. Chun told his military commanders the bombing amounted to "an announcement of war" by North Korea. But Japanese Foreign Minister Shintaro Abe said the Korean leader had assured him he did not plan to retaliate militarily. Before the one-two punch of the airliner disaster and the bomb in Rangoon, it would have been hard to imagine how relations between the two Koreas could worsen. But they did.

Foreigners in Seoul do not foresee a sudden return to the stern controls on dissidents that were relaxed only recently. The Government has frequently been criticized by diplomats for the short leash it keeps on critics, despite continuing pressure from Western countries, notably the United States, to loosen up. Like his predecessors, President Chun cannot ignore the Americans, who have 39,000 troops in his country. But South Koreans have the final say over their lives and an incident such as last week's is likely to persuade even some liberals that Mr. Chun may be right when he insists that tight restrictions are needed to meet the threat from the North. In the wake of President Chun's brush with assassination, thought is being given to broadening the definition of subversive activity. The police presence in Seoul, always great, was even greater last week. Residents reported being stopped more frequently for police checks.

"My feeling is that what the Koreans will get out of this more than anything is sympathy," said a Western diplomat who knew many of the slain officials. The price they paid, he added quickly, was exorbitant.

Peking Goes Public With Pressure to Assert Sovereignty and End British Colonization

Chinese Assurances Do Little to Soothe Hong Kong's Jitters

By CHRISTOPHER S. WREN

PEKING — When China and Britain began formal discussions on the future of Hong Kong last fall, they agreed not to divulge any details. The British have remained generally tight-lipped but the normally secretive Chinese have become almost voluble about their side of the issue. "The Chinese leaders and the Chinese press have every right to explain and publicize to the Chinese people, including the compatriots in Hong Kong, the basic stand of the Chinese Government," the People's Daily said this month. "How can this be interpreted as 'negotiating in public'?"

The lack of visible progress in the nominally confidential talks, which are to resume on Wednesday in Peking, has left Hong Kong's 5.5 million residents little recourse but to scrutinize China's words for clues to their future. They have reacted with misgivings that plunged the Hong Kong dollar to a record low. In part, their fears stem from China's obsession with sovereignty to the exclusion of the consequences. Deng Xiaoping and his aging revolutionary comrades want to see China made whole again before they die. Just as Chinese-American relations have stumbled over the question of Taiwan, discussion of continuing the British presence in Hong Kong has inflamed Chinese emotions.

China has demanded that Britain quit Hong Kong when its 99-year lease covering most of the crown colony runs out in 1997. Hu Yaobang, the party leader, reportedly told Japanese visitors China would wait until the lease expires. But China has refused to recognize the 19th century treaties that yielded Hong Kong to Britain, retaining the option of moving in earlier. It has hinted it will announce plans by the end of next year if the current talks have not reached agreement.

Publicly at least, China has rejected a transitional role for Britain. Zhang Yuyu, an adviser to the Academy of Social Sciences, explained that "without power of administration, sovereignty will come to nothing." China wants its own formula of "gang ren zhi gang" — Hong Kong people running their own affairs. In practice, these would be trusted leftists.

Peking has ruled out asking Hong Kong residents what they want. China was outraged by British Prime Minister Margaret Thatcher's comment last month that Hong Kong, but for Britain's adherence to the treaties, "would have been independent years ago," like Singa-

pore. "The question is only for China to resume the exercise of its sovereignty there," the New China News Agency retorted. "There is absolutely no question of independence." China can live with such dogmatism because its leaders seem to be insulated by underlings from Hong Kong's real mood. Hong Kong industrialists invited to China tend to play it safe by saying what their hosts want to hear. The leadership does not understand, said a Western diplomat in Peking, that "most people in Hong Kong are there because they can't abide the system here."

China's new Constitution has provided for Hong Kong, and Taiwan too, to become special administrative zones that would retain their own social and economic systems. The Hong Kong dollar would remain the local currency, private property would be respected and the judicial system would be unchanged. Foreign Minister Wu Xueqian said in Ottawa this month. Such assurances have been undercut by gaffes like the remark by Liao Chengzhi, a former Politburo member, that the Communists could manage Hong Kong because they have run industrial Shanghai since 1949. Hong

Kong businessmen who fled Shanghai have not forgotten how its free-wheeling capitalism was destroyed. When Mai Yang, Canton's city planning chairman, spoke in July of a Pearl River Delta Economic Zone centered in Canton that would incorporate Hong Kong and Macao, so much concern was touched off that he had to retract the statement. It was only a personal suggestion, he said.

The Chinese refuse to admit that political uncertainty drove down the Hong Kong dollar last month to its nadir, 9.6 to the American dollar. (By last week, the rate had partially recovered to about 8.3.) New China News Agency said "certain people" had caused the decline as a pressure tactic. Peking insists the details of keeping a



Activity at the Hong Kong stock exchange.

capitalist island afloat in a sea of Marxism can be sorted out later.

"As we see it, maintaining Hong Kong's prosperity won't be a problem," Hu Yaobang said. Huan Xiang, a legal specialist, assured the pro-Communist Hong Kong newspaper Ta Kung Pao that "there is still no need to be worried about the right of speech, right of personal freedom, right of entering and leaving the country freely and the style of living. This is because the Chinese Government has said it will not interfere."

But Peking, having severely circumscribed such rights for its own people, does not offer an encouraging track record. Some Chinese officials have promised that

Hong Kong's press can maintain its diversity. But will pro-Taiwan newspapers be forced to mute their criticism of the Communists? Will Hong Kong be permitted to keep its stock market and race track? Will its Roman Catholics and Anglicans have to sever ties with the Vatican and Canterbury and swear allegiance to the "patriotic" church approved by the regime?

Confidence rests on seemingly peripheral issues like these. Many believe Hong Kong has flourished not because Britain governs it, but because it has the freedom to prosper under a well-defined rule of law. The mainland has experienced quite the opposite, which may be why even Peking's best intentions make Hong Kong nervous.

Shamir's Austerity Jolts an Already Nervous Economy

Money Is Not The Least of Israeli Woes

By DAVID K. SHIPLER

JERUSALEM — Why anyone would have wanted to become Prime Minister of Israel last week is hard to imagine. The army was still mired in Lebanon, the Syrians were getting new Soviet missiles, the politicians were at each other's throats and, worst of all, the public was fleeing in near panic from the enfeebled Israeli currency, the shekel.

Nevertheless, Yitzhak Shamir rose undaunted in the Knesset to take the oath of office after a tumultuous eight-hour debate and a divided vote of confidence, which he won 60 to 53. Then, almost immediately, he convened a Cabinet meeting that lasted through the night, ending at dawn with a package of tough austerity measures designed as initial shock treatment for grave economic ills. But amid a storm of nationalistic recrimination, Finance Minister Yoram Aridor resigned three days later after proposing that the economy be converted to the dollar.

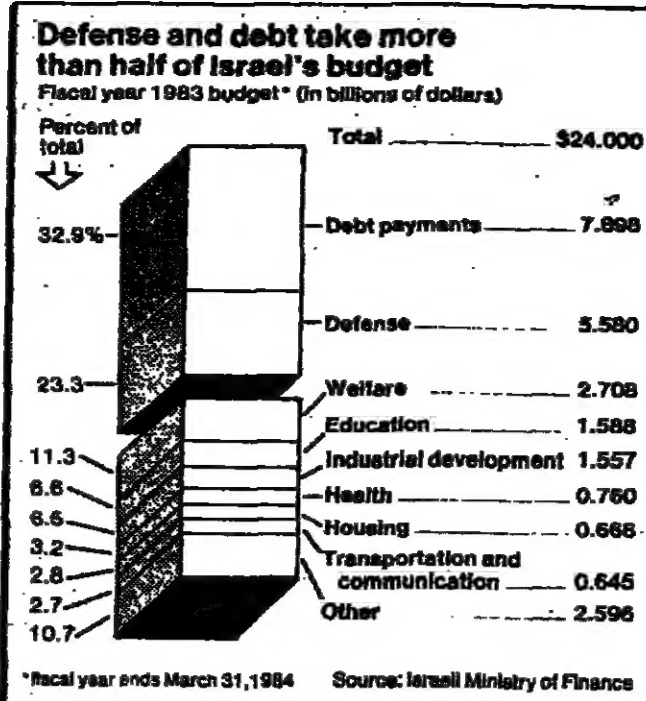
Mr. Shamir, who turned 68 yesterday, is not the sort of man who betrays nervousness, even in the most trying situations. Indeed, although he is soft-spoken, he can seem almost steely, unfeeling, a trait that may derive from his guerrilla days, when he organized political assassinations, survived British imprisonment and escaped from a British lockup in Ethiopia. He polished his cool secretiveness during a subsequent career as a high official in the Mossad, Israel's intelligence agency.

It remains to be seen, however, whether such toughness will be enough to see Mr. Shamir through the economic maelstrom. His first decisions revealed his capacity to act on difficult problems. But the political consequences will also require delicate footwork if he is to keep his governing coalition, with its narrow parliamentary majority of three, from splitting into warring factions that could bring down the new Government.

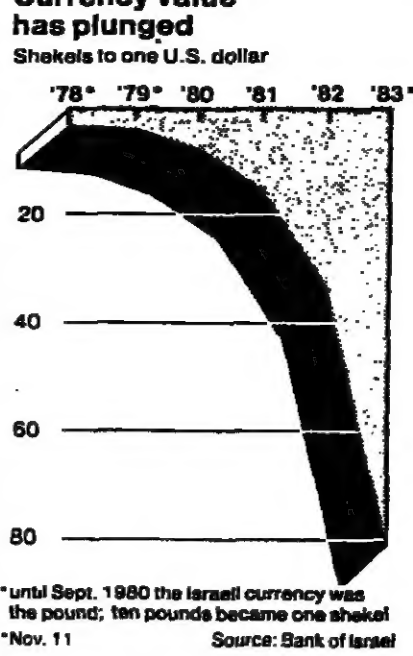
On big policy issues involving Arab-Israeli relations, Mr. Shamir's array of religious and right-wing parties are fairly closely aligned with one another. As the same coalition that kept Menachem Begin in office for six years, they agree on a strong, forward military posture and an aggressive program of Jewish settlement to consolidate Israeli control over the occupied West Bank.

But economic matters are somewhat divisive inside the Cabinet. Mr. Begin paid little attention to them, although they contain the potential for a backlash by the voters. Small parties, which do not want elections any earlier than their scheduled date in 1985, may suffer at the polls from being identified with a losing fiscal policy. In the short term, this means that they will probably not want to undermine the Government. Still, if economic problems remain acute, it would take only a few worried

A skewed economy



Currency value has plunged



Knesset members to desert Mr. Shamir and bring him down.

Mr. Shamir's years in the Mossad have given him an appreciation of the value of expertise and good staff work, and so he is likely to adopt a very different style from Mr. Begin's solo approach. In economics, he can be expected to assemble a sound staff from some of the country's best minds. This will inevitably put him into conflict with expedient politics: for the economists are unanimous in their prescriptions: Cut government spending, cut subsidies to basic foodstuffs, cut the cost-of-living increases now built into wages.

Deeply in Debt

Israel's essential problem, Mr. Shamir told the Knesset last week, is that "we cannot carry a burden of consumption which is not based on our productive efforts. We should consume only what we are able to produce and reduce our dependence on outside loans."

Partly because of heavy military requirements, Israel has gone deeply into debt, using almost all of its economic aid from Washington to pay principal and interest to the United States Government. Furthermore, if Israel ever measured up to its image as the country of the shtetl kibbutznik who slaved tirelessly from dawn to dusk, it certainly doesn't any longer.

Much workmanship is lazy, sloppy and slow; "low and stagnant" labor productivity, according to the International Monetary Fund, has pushed unit labor costs up

by 28 percent since 1978, thereby reducing the competitiveness of exports.

As a result, Israel's ability to sell abroad has not kept pace with its insatiable appetite for imported luxuries, creating a growing balance-of-payments deficit. The trends have been apparent for years, but have only recently caused panicky maneuvers by investors. Early this year, as share prices tumbled on an overinflated Tel Aviv stock market, brokers advised buying stock in commercial banks as a safer haven for cash.

Ten days ago, as rumors spread of an imminent major devaluation of the shekel, thousands of Israelis fled to the dollar by selling their bank shares and converting the shekel profits. Banks tried to shore up their stock and also imported dollars from their branches abroad to sell to frenzied customers.

But it soon became clear that an avalanche was under way. The stock market closed for a week, the Bank of Israel stopped selling hard currency and the Cabinet met to make its first moves: a 23 percent devaluation of the shekel, 50 percent price rises in basic foodstuffs and a Government guarantee to buy bank shares after five years at a little more than their current dollar value.

When Finance Minister Aridor proposed making official the so-called "dollarization" of the economy, the ridicule and opposition this provoked among most economists and officials forced his resignation. He left the place to be picked up by his successor, whoever that turns out to be.

Geneva Talks Get Edgier

First-Strike Capabilities In the War For Opinion

By HEDRICK SMITH

WASHINGTON — Soviet-American arms negotiations have long had a fair quotient of posturing and maneuvering but never more so than in the talks on European nuclear forces. In two years, the exchanges have produced more thunder than diplomacy, more public relations ploys than private give-and-take. Driven by Moscow's hopes of splitting the Atlantic Alliance and Washington's determination to hold it together, the negotiations have seemed less an exercise in balancing the nuclear equation than a drama staged to sway Western European opinion. Now, with the initial deployment of American medium-range missiles in West Germany, Britain and Italy going ahead in December, both sides seem mainly preoccupied with scoring tactical points. However, their roles have switched: President Reagan has turned to offering concessions and preaching flexibility; the Kremlin has dug in its heels.

Last summer, Yuri V. Andropov, the Soviet leader, dangled visions of a Soviet-American agreement before the European nuclear protest movement. He offered to cut back the menacing arsenal of new Soviet SS-20 missiles. But the Kremlin line has turned hard and last week, Leonid M. Zamyatin, a ranking Soviet official, seemed to make the message unmistakable. "We do not want to take part in negotiations leading to a situation in which powerful new missiles and warheads will be stationed in Europe," he told reporters in Hamburg. Did that mean the talks would come to a halt, he was asked. "You have understood me correctly," Mr. Zamyatin replied.

The Reagan Administration, not to be outmaneuvered, anticipated the walkout threat and moved to cushion the blow. The day before Mr. Zamyatin spoke, the White House pounced on a press account from Geneva reporting private Soviet hints to break off negotiations. Washington proclaimed its commitment to keep on negotiating, even after deployment. "We've moved miles in our position to be flexible and we want to keep talking," an American arms control official said. "If there is a breakdown, they'll have to bear the political onus." If that bothered the Russians, it wasn't apparent in a warning issued by Marshal Viktor G. Kulikov, the Warsaw Pact commander. If the American missiles are put in place, he said, Moscow will "deploy additional nuclear weapons to offset NATO's growing nuclear might in Europe" and take "corresponding measures with regard to United States territory." But in a further statement that American diplomats thought deliberately ambiguous, Warsaw Pact foreign ministers said the missile talks "should be continued" beyond the end of the year "in the conditions of the renunciation by the United States and its NATO allies of their [deployment] schedule."

Bracing for Reprisals

The Soviet threats were part of a war of nerves aimed at influencing West Germany. The Bonn Government, like those in London and Rome, was sticking to the December deployment schedule. But opinion polls showed two-thirds of West Germans favor a six-month moratorium on deployment. Their antinuclear movement has just launched 10 days of demonstrations against American military bases. Yesterday, Foreign Minister Hans-Dietrich Genscher met in Vienna with Soviet Foreign Minister Andrei A. Gromyko. Urging Western steadfastness, French President Francois Mitterrand deplored an "unequal" relationship. "Pacifism is in the West and the Euro-missiles are in the East."

But the gap in Soviet and American positions seemed unbridgeable. President Reagan has dropped his insistence on banning all intermediate-range nuclear missiles and has sought agreement on putting missiles in Europe to show the allies American nuclear arms are locked into their defense. But the Kremlin has refused to countenance any new American missiles, insisting its SS-20's should be matched against British and French missiles.

The Soviet hard line caused the Administration to brace for Russian reprisals. One step that would trouble West Germany, although it would not alter the military balance significantly, would be deployment of Soviet SS-20's in East Germany or elsewhere in Eastern Europe, as Marshal Kulikov threatened. As for a Soviet move against the United States, Russian officials said privately the Kremlin did not intend to risk a power confrontation with Washington by putting SS-20's in Cuba or Central America. Placing them in eastern Siberia, in range of Alaska and the American Northwest, or stationing more missile-carrying submarines off the American coast, would worry Washington.

There were two schools of thought about the consequences of a Soviet walkout from the talks. Optimists in the Pentagon and White House saw the walkout as temporary posturing — the Russians would eventually have to return to the table. Some of these experts believe the European nuclear talks may be incorporated into the negotiations on intercontinental weapons, which would become more important to both sides. However, the chief American negotiator, Paul Nitze, reportedly feels that Moscow no longer sees any advantage in a partial European nuclear agreement once American missile deployments begin.

More broadly, pessimists worry that the collapse of the European talks could signal that Mr. Andropov has concluded he cannot strike compromises with President Reagan now and prefers to await the outcome of the 1984 elections. A Soviet walkout may mean the Kremlin believes it has more to gain by driving wedges into the Atlantic Alliance than it has to fear militarily from the American missiles. With deployment unfolding slowly over the next four years, Zbigniew Brzezinski, the Carter Administration national security adviser, has observed that there will be ample time for Moscow "to play on differences between the United States and its allies, to feed internal tensions in Germany and to promote neutralist trends in Western Europe."



Contract/Alan Raitinger
Perishing 2 missile

It Was Labor Last Week, Army and Church Before

Spain's Socialists Begin Feeling the Nudges



Prime Minister Felipe Gonzalez reviewing an armed division in Madrid.

By JOHN DARTON

MADRID — Prime Minister Felipe Gonzalez has been in office 10 months and for the most part Spain's love affair with its handsome young Socialist leader continues unabated. But there are signs the honeymoon may soon be over.

Mr. Gonzalez has run into difficulty in recent weeks in dealing with three important power centers — the unions, the military and the Roman Catholic Church. None of the problems appear insurmountable, but they chip away at the remarkable consensus he has enjoyed so far and serve as a reminder that Spain can be a hard country to govern.

Last week the Government and unions opened bargaining sessions that will affect contracts for 1984 and beyond. It will be a critical round because the Government wants to hold wage increases to 4.5 percent, one and a half points below its projected figure for inflation next year. The talks are haunted by the prospect of widespread layoffs, a particularly sensitive issue for the Socialists, who came into power partly on a promise to bring down unemployment. Spain's jobless rate is 16.5 percent, one of the highest in Europe.

An effort is under way to streamline state-run industries that have grown fat, lazy, unproductive and debt-ridden under decades of protectionism. The overhauling is essential if Spanish industries are to become competi-

tive enough to survive when Spain enters the European Economic Community in a few years. But with the prospect of a loss of perhaps 60,000 jobs, according to officials, the overhaul could be political dynamite as a recent dispute over plans to cut back the operations of a state-owned steel mill showed. Rebellious workers refused to abandon part of the plant and were dismissed. They were reinstated when they noted their protest.

The Government is also contemplating legislation to make it easier for private companies to hire and fire. Laws dating to the rule of Francisco Franco and intended to discourage independent unions provide for hefty severance payments, and many businesses think twice before letting a worker go. Flexibility, the employers argue, would help them respond to market conditions. The unions see this as a ploy likely to mean further layoffs. The Workers' Commission, the Communist-led labor force, opposes the measure. So does the General Union of Workers, the other principal labor grouping, which is Socialist and has cooperated with the Government.

Military Also a Worry

While the dispute with the unions was brewing, the armed forces also got into the headlines. The Government last month dismissed a top-ranking officer, Lieut. Gen. Fernando Soteras Casamayor, the commander of one of the country's nine military regions, after he made statements in a magazine interview praising the imprisoned ringleaders of the failed coup attempt of February

1981 when Parliament was seized. General Soteras upset the Government and other well-wishers of Spanish democracy by referring to the coup-makers as "gentlemen" and by laying out a rationale for army intervention — in cases, he said, where there is a "vacuum" of leadership by elected civilians. He sought to justify such takeovers by citing an article of the Constitution that describes the armed forces as the defenders of Spain's territorial integrity and the upholders of constitutional order.

Against the background of two and possibly three coup attempts since the death of Franco in 1975, such views resurrected fears that the 250,000-member army — conservative and isolated from much of society, imbued with a sense of mission to guard against internal enemies and deployed in brigades encircling the main cities — was still a power with questionable loyalties to parliamentary rule.

Articles appeared attributing the unrest in the military partly to continuing terrorist violence in the Basque region, where 27 people have died this year, and to separatist demonstrators burning the Spanish flag. "The inevitable conclusion remains with us, and it does not at all help to silence or minimize the threat this implies to the constitutional system," the respected daily El Pais warned.

No one thought another coup attempt was imminent and the dismissal bolstered this view. But the incident made clear that the military hierarchy remains a powerful presence. It can exert pressure even without stirring from the barracks.

The Roman Catholic Church is a third power center and it, too, was dueling with the Government. The issues were abortion and state control over private religious schools that receive Government subsidies. Both issues arose in new legislation that went before Parliament.

One bill legalized abortions in restricted cases, such as for pregnancies resulting from rape or in which the fetus is malformed. Another set a variety of standards in administering the private schools, which teach almost a third of all Spanish pupils. Both bills are strongly opposed by the church and are being challenged in the courts on constitutional grounds by the rightist opposition. During a two-day trip to Rome last week, Mr. Gonzalez met with Pope John Paul II. It was described as a courtesy visit, but most observers believed the mission was to repair relations strained over the past few weeks.

The Socialists, in power for the first time since the 1938-1939 civil war, have a comfortable working majority in Parliament — 202 out of 350 seats. But recent events have shown that pressures from power centers outside Parliament can be intense. The Socialists' self-confidence does not appear to have been diminished nor their popularity undermined, but the lesson has been an important one.

BROADWAY 80

WARNING — The Ministry of Health has determined that smoking is harmful to health



I'm glad I changed.

The Nation

Does Mondale Have It Made In New York?

Beyond a shot at a few seconds on the evening news, one politician's ceremonial embrace of another usually doesn't count for much. Last week's announcement by New York Governor Cuomo that he would back Walter F. Mondale, a Presidential hopeful who has been on a roll lately, might be a different matter.

Most of New York State's 285 Democratic convention delegates, the second largest chunk at the national nominating convention, are to be elected in a primary next April; Mr. Cuomo's support might help Mr. Mondale, especially in less liberal precincts. Then too, Mr. Cuomo, who became one of the first big-state governors to sign on with Mr. Mondale, and who is suspected of harboring ambitions for national office despite his disclaimers, might have helped himself as well. In a statement with Senator Daniel Patrick Moynihan of New York, who also endorsed the former Vice President, Mr. Cuomo called Mr. Mondale "a man whose only special interest is people," a glowing response to the charge frequently raised by Senator John Glenn and by the other contenders that Mr. Mondale is beholden to too many disparate blocs.

Senator Glenn, for his part, wasn't endorsed by any political stars, though he has been rising steadily in the public opinion polls. His advisers were hoping for lift-off into a higher orbit from "The Right Stuff," a movie — due for its initial public showing today — that depicts him as the premier flag-waver among the first batch of American astronauts.

In an arms control debate last week in Cambridge, Mass., Mr. Glenn attempted to show that Mr. Mondale had displayed telling flashes of the wrong stuff. As President Carter's No. 2, Mr. Glenn said, Mr. Mondale had failed to vigorously oppose the sale of advanced warplanes to Saudi Arabia and a proposal to disperse MX missiles among hundreds of prairie burrows. At another forum, the Senator urged the Administration to delay plans for deploying ground-launched cruise missiles in Europe; thereby, he presumably hoped, deflecting Mr. Mondale's charges that he had once unwisely opposed a strategic arms treaty posed by the Carter White House. He also sought to parry a new and concerted Mondale offensive on his credentials — Mr. Glenn, Mr. Mondale has taken to charging, is not a "real Democrat" because as a Senator he voted for the Reagan economic program — by saying the former Vice President shared the blame for President Carter's disastrous economic policies.

Meanwhile, loose lips may have caused the already listing campaign of Senator Ernest F. Hollings to sink even lower. Following a poor showing in straw polls in Iowa last weekend, Mr. Hollings cracked that California Senator Alan Cranston, who finished second, had been helped by imported "wetbacks." Mr. Hollings subsequently apologized; a spokesman insisted that "in no way" had the comments been intended "to be about Mexican-Americans or Hispanics in general."

Note From Limbo On Civil Rights

Though its legal authority expired last month, the United States Commission on Civil Rights is still at it. According to an account in The New York Times last week, the commission reported that the Reagan White House's parsimony and lack of interest had meant a sharp reduction in attempts by Washington to enforce civil rights laws.

The report, prepared by the commission's staff and based on such sources as budget documents and legal briefs, said that in some of the half dozen Federal agencies surveyed, compliance reviews and investigations had become "virtually negligible." The Department of Housing and Urban Development, for one, had taken "no concerted action" to end segregation in public housing projects that received Federal dollars.

The inactivity, the commission said, might very well result in litigation and the prodding of a Federal judge. At HUD and the other agencies, the number of employees assigned to civil rights enforcement had declined between 1980 and 1983. The steepest drop occurred at the Labor Department. Spending for enforcement had also declined at Labor and the Department of Education and, at the rest, failed to keep pace with inflation, the report said.

A spokesman for the Office of Management and Budget said that in particular the commission's gripe about outlays falling behind inflation was "astonishing and nonsensical" because in the Federal Government wages almost never match the Consumer Price Index. Other officials of the Administration — which is attempting to replace three of the commission's six members — said that

an unbiased reading of the record shows that enforcement efforts have actually increased since President Reagan was sworn in.

New Politics In Boston

No matter who is elected mayor of Boston in November, the two candidates who ran each other to a dead heat in the nonpartisan primary last week will each have illustrated a point — the same one. Increasingly, in races in which community interests are the issue, a new politics of combination matters more than old racial divisions.

For his 29 percent of the vote, State Representative Melvin H. King, a black neighborhood organizer, relied on a "rainbow coalition" of black, Hispanic and white people to take half of the city's 22 wards — and, by some accounts, 15 percent of the white vote.

For his equal share, City Councilman Raymond L. Flynn, the home-grown Irish populist who is liberal on economic issues but conservative on



Raymond L. Flynn (top) and Melvin H. King.

most others, pulled together what he called the disenfranchised: leftist activists, labor leaders, advocates for the elderly and the poor, and working-class Bostonians.

In a city where politeness has not been the hallmark of politics and court-ordered school busing brought years of ugly reaction, the campaign's lack of racial invective and its concentration on neighborhood revitalization was striking. So, after four terms, was the absence of Mayor Kevin H. White's flash and once powerful political machine; Mr. White is not seeking re-election.

The question now is the extent to which Mr. King can expand his appeal to whites, who are 70 percent of Boston's 280,000 voters. By conventional calculations, most supporters of the runner-up, David I. Finnegan, the former School Committee president and radio talk show host who took 25 percent of the vote, will swing to Mr. Flynn.

But conventional calculations might not carry. Forty-two percent of Boston's population was born outside Massachusetts; of the 63 percent of the electorate that went to the polls last week, 20 percent were new registrants.

A \$200 Billion Family Feud

Robert Ortner's analysis of the week's economic indicators was shared by most specialists. "The economy is still humming along," the Commerce Department's chief analyst said. The same could not be said for the wheels of the Administration's policy apparatus. At week's end it was disclosed that the months of public disagreement between Donald T. Regan, the Secretary of the Treasury, and Martin S. Feldstein, the chairman of the Council of Economic Advisers, had become such an embarrassment that they had been ordered to submit their speeches to the White House for advance review, "to insure conformity."

The dispute of the President's two top economic advisers is not over the health of the economy. Indeed, last week's reports on industrial production, up 1.5 percent in September, and wholesale prices, up 0.2 percent last month or half as much as in August, show that a noninflationary recovery is still firmly in place. The issue is the Federal deficit, now near \$200 billion, and its effect on interest rates. Mr. Feldstein, contending that deficits so large are dangerous, has been pushing an idea the Administration dropped as the election year drew closer: "contingency" taxes effective 1986 if the deficit did not decline; Mr. Regan has belittled Mr. Feldstein's concern.

Michael Wright and Caroline Rand Herron

Reagan Was Warned of Waning Fundamentalist Support Last Week

Grassroots Are Becoming A Tricky Political Thicket

By PHIL GALEY

WASHINGTON — Every four years, as part of the Presidential campaign ritual, political candidates and reporters begin scouring grassroots America, that land of part myth and part reality, part clover and part briarpatch, for those issues that boil up from the people.

More often than not public opinion polls show that when asked to name their major concerns about the future, grassroots tick off most of the issues on the Washington agenda — the nuclear arms race, the staying power of the economic recovery, the prospect of military entanglement in Central America and unemployment.

But underlying these broad concerns are issues, some local or regional, that have direct effects on the lives of many voters. Toxic waste is no small matter in dioxin-scarred Missouri. In New England and other affected areas, acid rain is a major concern. The expected increase in local telephone bills, the result of the Federal Government's breakup of A.T.&T., has upset city dwellers and farmers alike. Workers in the steel and automobile industries are demanding protectionist trade policies to preserve jobs. Education is caught up in Presidential politics, but there are signs that this issue may be defined more by teachers and parents than by the candidates.

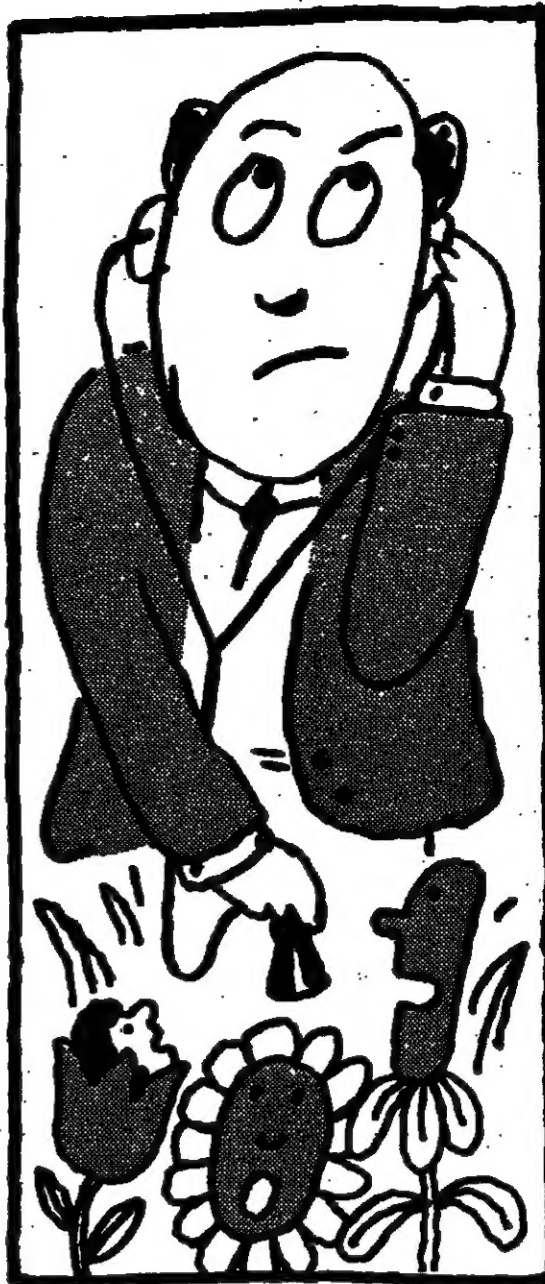
These are the kind of issues that rarely determine the outcome of a Presidential election, and it is too early to say how they may figure in the political chemistry of 1984. But they do tend to influence the basic political outlook and disposition of voters, and it usually takes a Presidential campaign to relate them to the policies and philosophy dominating Washington.

Deregulation, for example, was mostly an abstraction in the 1980 Presidential campaign, but in 1984 it will have taken on real meaning for those who believe their lives have been affected for better or worse by the Reagan Administration's deregulation efforts.

Unemployed and threatened airline workers are being told their troubles stem in large measure from the economic havoc wreaked on the industry by deregulation. For many other Americans, the deregulation of the communications industry, which has been sped along by the Federal Communications Commission and by Congressional legislation, means higher local telephone bills.

Congress, which was eager to strip Ma Bell of her regulated monopoly advantages and force her into the marketplace, now has a bad case of political jitters. A number of bills are pending to block the F.C.C.'s decision to slap a monthly access fee, \$2 for residential customers and \$6 for business, on telephone bills.

"This can be, will be and is a political issue," says Jerry Kovach, staff director of the Senate



Shurtz Goldberg

Commerce, Science and Transportation Committee. "The ramifications of not doing anything would be widespread, for voters are going to be lashing out at candidates at every level."

Shrinking Big Government and shifting power back to the states and local communities is the kind of political rhetoric that sounds good to many voters. But if shrinkage in Washington translates, as it often does, into higher local and state taxes, reductions in services and other

hardships, that issue can cut a different way politically.

There also is growing anxiety about the adequacy of health care programs. Thirty states took some action last year to reduce Medicaid benefits, limit eligibility or cut payments to the providers of health services.

"Hospital costs are going to emerge as a grassroots political issue," said Bernie Aronson, who monitors issues for the Democratic National Committee, "because Medicaid and Medicare are the next big bankruptcy questions facing the Federal Government."

Unpredictable Voters

One problem for candidates is to keep their pursuit of grassroots issues from becoming perceived as special-interest politics.

Patrick Caddell, who was President Carter's poll-taker, is one of those who believe the grassroots are dimly seen. The trouble is, he says, that Washington tends to view that part of the country beyond the Capital Beltway as a land of predictable voting groups. The perception of Moral Majority, a political spinoff of the Rev. Jerry Falwell's evangelical movement, is an example.

"Moral Majority people are not just a bunch of right-wing nut groups as some people in Washington think," Mr. Caddell said. "I believe they are closer to the mainstream than they are given credit for. You can't have such a large percentage of the American people in favor of a nuclear freeze and not have some born-again Christians in that category."

Mr. Caddell's theory is supported by the results of a recent poll of fundamentalist Christians paid for by The Free Congress Research & Education Foundation, a Washington-based conservative group headed by Paul W. Weyrich. Last week Mr. Weyrich held a news conference to warn President Reagan that the poll results show that he cannot take this voting group for granted in 1984.

The poll, conducted by Lance Tarrance Jr. of Houston, shows that in a national sample of 1,000 registered voters who identified themselves as evangelical and fundamentalist Christians, Mr. Reagan held a narrow lead, 41 to 37, over Democratic Senator John Glenn of Ohio. Mr. Reagan led Walter F. Mondale 47 to 34.

The same poll seems to undercut the notion that this voting group is of like mind on many of the issues on the agenda of the religious right. It found, for example, that while 53 percent of the poll's respondents favored tuition tax credits, 37 percent opposed them. On military spending, 39 percent supported an increase, but 33 percent thought the military budget could be reduced.

Even on the question of abortion, the poll found a significant division of opinion. Asked if abortion should be legally available to any adult woman who desired it, 39 percent said yes, 53 percent said no.

Perhaps this helps explain the surprisingly friendly welcome Senator Edward M. Kennedy received recently in Lynchburg, Va., from Mr. Falwell and his Moral Majority followers. The Massachusetts Democrat's speech on political and religious tolerance was interrupted 16 times by applause, for points including his praise of Dr. Martin Luther King Jr. and his support of the nuclear freeze movement.

Health and Human Services Is a Case in Point

Cuts Shape the Budget as a Policy Tool

By ROBERT PEAR

WASHINGTON — With much fanfare, the President submits his budget to Congress every January. Congress then scrutinizes the details, challenging the Administration to explain why it selected certain options and rejected others. Often the legislators' priorities differ markedly from the President's; that will be amply demonstrated this week as they return from Columbus Day recess and again take up spending bills for fiscal year 1984.

But an equally important budget battle takes place behind the scenes, within the executive branch itself, as Federal agencies haggle with the White House over their budget requests for the year to come. While the process occupies hundreds of bureaucrats year-round, it is just now entering a critical stage for fiscal year 1985.

Nowhere is it more complex than at the Department of Health and Human Services, which provides cash assistance, medical care and other benefits to millions of people. The growing cost of Medicare and Medicaid, the health programs for the elderly and the poor, seems beyond the ability of officials to control. At least 95 percent of the agency's budget is consumed by such programs, which automatically provide benefits to anyone who meets certain eligibility criteria. The only way to reduce the cost of entitlement programs such as Social Security is to change the laws that define eligibility and benefits. Such changes set off howls of protest from the affected people. Federal officials say that in an election year, new budget-cutting proposals will be minimized.

The estimates of spending for 1985-86 contained in President Reagan's budget request for 1984 provided the starting point for work on the 1985 budget. They show spending for Health and Human Services rising from \$289 billion in the 1984 fiscal year, which began two weeks ago on Oct. 1, to \$313 billion in 1985. Social Security accounts for more than 60 percent of the total, Medicare for more than 20 percent. The department, like most other agencies, submitted its request for fiscal year 1985 to the Office of Management and Budget on Sept. 15.

The department's top budget officials — John J. O'Shaughnessy, an Assistant Secretary, and his deputy, Anthony L. Itell — are experienced technicians. Both have worked at the Pentagon, and Mr. O'Shaughnessy on the staff of the House Budget Committee as well. As a liberal Republican member of the House, Margaret M. Heckler voted against many of Mr. Reagan's budget proposals. As Secretary of Health and Human Services, she is more cautious and more of a loyalist.

Like virtually all Cabinet members, she has two basic goals in the budget process: to satisfy or at least pacify her agency's constituents and to demonstrate her loyalty to the President who appointed her. If universities seek more money for biomedical research, if spokesmen for the elderly demand more money for inspection of nursing homes, Mrs. Heckler would like to respond.

But David A. Stockman, the budget director, has a larger frame of reference. In time, he will

Less room for maneuver

Entitlement programs, such as Social Security, Medicare, Medicaid and Aid to Families With Dependent Children, take up increasing share of the Department of Health and Human Services' budget, while "discretionary" programs, which are easier to cut, grow proportionally smaller (fiscal years, in billions of dollars)

| | Entitlement programs Outlays in billions and as percent of year's total budget | Discretionary programs Outlays in billions and as percent of year's total budget | Department's total budget |
|---------|---|---|------------------------------|
| 1970 | \$44.5 92% | \$3.8 8% | \$48.3 |
| 1975 | \$96.3 93% | \$7.6 7% | \$103.9 |
| 1980 | \$180.4 93% | \$13.5 7% | \$193.9 |
| 1982 | \$237.9 95% | \$13.8 5% | \$251.7 |
| 1983 | \$260.8 95% | \$14.1 5% | \$274.9 |
| 1984 ** | \$276.3 96% | \$12.5 4% | \$288.8 |

* Department of Health, Education and Welfare for fiscal year 1980 and prior years

** President's budget request

Source: Department of Health and Human Services

inform her that, in keeping with the overall goals of Mr. Reagan's economic program, she must hold spending under a certain level. Mrs. Heckler will then select a few issues she considers of paramount importance, on which she may appeal to top White House officials, including ultimately the President.

Mrs. Heckler's standing within her department and with the constituency groups it serves is at least as important to her effectiveness as her standing with President Reagan. If she cannot "deliver," she will fall in their esteem. But her status with these groups also depends on her standing with Mr. Reagan. If she is seen to be trusted and respected by him, her reputation will also rise. So it behooves her to be a team player.

The Re-election Imperative

Mr. Reagan's apparent decision to seek re-election strengthens this imperative. If he were a lame duck, Cabinet officers would have less incentive to restrain their agencies' institutional appetites. But now, before pushing too hard for a pet program a Cabinet officer must consider the

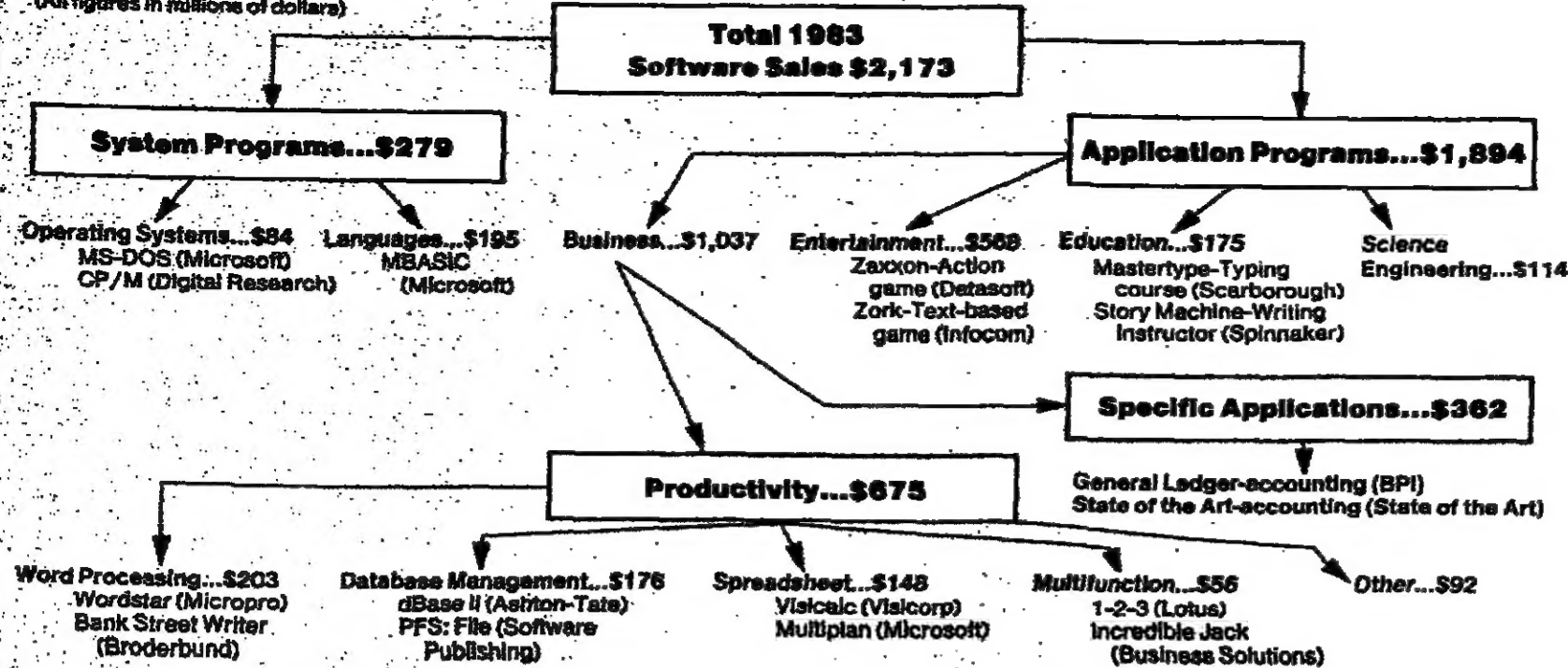
possibility of losing the post in a second Reagan Administration. Mrs. Heckler has already displayed her style in tricky negotiations over new rules for hospices, which provide Medicare benefits for the terminally ill. She negotiated quietly and directly with Mr. Stockman, winning his support for rules that were in part written by the hospice operators and that increased Federal costs more than he would have liked.

If the Reagan revolution has achieved anything at home, it is because the President and Mr. Stockman have seized control of the budget process and made it a tool for setting national priorities. But by challenging the fundamental assumptions underlying many Great Society programs, Mr. Reagan has forced their defenders to justify them. To a remarkable extent, they have succeeded. Part of Mr. Reagan's legacy in domestic policy may be that he solidified a national constituency for dozens of food, nutrition, health and welfare programs. Having survived the Stockman scalpel and two and a half years of severe scrutiny by Congress, the programs may be deemed relatively secure.

Software Suppliers Slug It Out

The Universe of Microcomputer Software

A breakdown of 1983 software sales, in millions, for home and office computers that sell for \$10,000 or less. Representative products (and manufacturers) listed in each category. For further definitions see glossary on page 15. (All figures in millions of dollars)



Source: Future Computing Inc.

By ANDREW POLLACK

When 32-year-old Mitchell L. Kapor took his fledgling computer software company, the Lotus Development Corporation, public less than two weeks ago, he made a fortune — roughly \$70 million in fact. That this former radio disc jockey and teacher of transcendental meditation turned to computer programming only a few years ago simply adds to the feat. It is the stuff of which legends are made, especially in the personal computer software business.

Throughout the land, other young and ambitious entrepreneurs are toiling away late into the night struggling to write that next great piece of software — a set of instructions, usually embedded in a gray disk, that allows the nation's computers to perform

several companies which make software for large computers — have already entered an industry whose largest player still generates only \$70 million in annual revenues.

At the same time, the traditional software leaders, including Microsoft, Micropro International and VisiCorp — which did in fact start on a bare bones budget in the mid to late 70's — are now scrambling to transform themselves into more powerful, professionally run companies to gird for the challenge. It is clear that tomorrow's software programmers will have to have a lot more than just their dreams; they will also need plenty of marketing muscle and mountains of money to elbow their way into the fray.

"Lotus was the start of the big time in the micro software business," said Esther Dyson, publisher of RELEASE

ket research firm. Already the software business is approaching the size of the \$3.5 billion record business and the number of new software titles being issued now far exceeds the 2,630 new albums issued last year.

PC Telemart, a Fairfax, Va., company has a computerized catalog that lists 15,500 titles and 40,000 software products (the same title might come out in different versions for different computers). That is roughly twice as many titles and products as there was a year ago.

"Right now its running at 1,000 titles a month," said Larry Stockett, chairman of PC Telemart. "We have 20 people who do nothing but open the mail and keyboard the titles."

Indeed, there is so much software available that the largest company to emerge in the industry so far is not a software producer but a company that fills the vital role of distributing the thousands of software products to thousands of software retailers. Softel Computer Products of Inglewood, Calif., started in 1980 by two Citicorp employees in their spare time, will have revenues of \$80 million this year compared to \$35 million last year, according to chairman David S. Wagon. Softel screens 400 new programs a month and usually elects to carry only 10 to 12 of them.

The explosive growth in software — from an infant industry to adolescence in less than five years — has, of course, been generated by a parallel explosion in the computer hardware industry. Personal computers first appeared in the mid 70's. At the end of 1982, there were more than five million of those computers, priced between \$50 and \$10,000, in the homes and offices of America — and no slowdown in growth is expected.

While there will still be opportunities in the software business, the intensifying of competition means companies must pick their targets carefully and avoid mistakes. "It's not like there are no windows of opportunity," said Mr. Kapor of Lotus. "It's like a funhouse, with windows opening and closing with tremendous rapidity."

The personal computer hardware business has already discovered that even a fast growth does not necessarily translate into profits; if the number of suppliers grows even faster. The resulting shakeout, as ex-

plified by the bankruptcy of Osborne Computer Corporation, is now being seen.

A similar if less dramatic shakeout is considered inevitable in the software business as well, and today's industry leaders are not sure survivors. Analysts note that virtually all the leading software companies rose to their position on the basis of a single hot product. Sometimes it was not even a product they developed themselves but merely licensed from another company or individual.

In particular, if one surveys the existing top seven companies, each dominated a particular type of software, so that they rarely competed with one another.

But as the case of Osborne shows, there is a difference between a hit product and a viable business. The top software companies are trying to broaden their product lines, but still remain largely dependent on their big product. "No one has proven they have a software business" as opposed to a software product, said William H. Gates, the chairman of Microsoft Corporation of Bellevue, Wash., considered the largest software producer.

There are some 6,000 software publishers, according to Mr. Stockett, yet fewer than 100 of them have more than 25 employees. The most successful software companies seem to be doubling in revenues every year. In many cases, their profits are extremely high, too, because the manufacturing cost of a software disk is only \$5 to \$30 and the program on it might sell for several hundred dollars.

Industry analysts and executives expect that instead of the several thousand tiny software companies there will be a few large ones with perhaps several dozen smaller or more specialized software written by

independent authors. Thus there will still be many opportunities for cottage dwellers, but more as authors than as leaders of companies.

The companies that rose to the top of the heap dominated a particular product area. There are two broad categories of software — systems software and applications software. Systems software governs the inner workings of the computer. It consists of operating systems, which direct the flow of data from one part of the machine to another and languages, such as BASIC, used to write programs. Applications programs are the instructions for accomplishing a particular task, such as word-processing.

If a city were used as an analogy, the hardware would be the roads and buildings. The operating system would be the general instructions for routing traffic, such as one-way signs and traffic lights. An applications program would consist of instructions to accomplish a particular task, like getting from one's home to the train station.

Applications programs consist of computer games, educational programs and business programs. In the business market, some programs are geared to specific industries. There are programs for everything from keeping track of medical patient records to cemetery accounting. Most of the attention, however, has focused on programs that can aid office workers in a wide variety of industries. This category includes word processing, database managers, which are computerized filing systems, and spreadsheets, such as Visicalc, which allow workers to easily manipulate rows and columns of numbers.

It is this category that is crowding up with the biggest players. One of them, Microsoft, got its start in the mid 70's when Mr. Gates dropped out of Harvard at age 17 and adapted a version of the BASIC programming language for the personal computers that were just being developed. To this day, BASIC accounts for about 50 percent of Microsoft's revenues, according to Mr. Gates. Microsoft also got a big boost when I.B.M. chose to use a Microsoft operating system on its personal computer. Microsoft purchased the initial version of that operating system from a small Seattle company.

Digital Research was another success story; its business was built on an operating system called CP/M. VisiCorp rode to the top on Visicalc, widely considered the best-selling program in history with more than 600,000 copies sold. But Visicalc was developed by another company, Software Arts, and while VisiCorp now boasts a line of 15 products, Visicalc still accounts for roughly half the company's sales.

Micropro made its mark with word-processing. About 75 percent of its revenues still come from Wordstar and related programs, according to chairman Seymour Rubenstein. Ashton-Tate established itself with dBase II, a database management system that accounts for 80 percent of its revenue. Peachtree did it with accounting; and Lotus, by combining a spreadsheet, database management and graph-drawing program in one "integrated" package.

As companies try to broaden their lines, they are colliding with one another. Most are trying to establish brand-name recognition across a series of products. VisiCorp has its Visi-Programs, such as Visiword and Visiplot; Peachtree has Peachtext and PeachCalc; Micropro has Wordstar, Calcstar and Infostar. Others include: the Perfect series from Per-

fect Software; the PFS series from Software Publishing; the Super series from Sorcim, and the Easy series from Information Unlimited Software.

Many are already feeling the pinch of competition. For example, Digital Research, which suffered after I.B.M. chose Microsoft's operating system, is trying to redirect its marketing strategy and develop new products. VisiCorp's Visicalc has been surpassed in sales by 1-2-3, and the company is preparing to respond with an ambitious new product known as Visi-on, which will combine word processing, spreadsheet, graphics, database and other functions in a display similar to Apple's Lisa. But the project is late, the early reviews mixed and a similar product from Microsoft is waiting in the wings. The winner might be decided by which system is endorsed by I.B.M. for use on its personal computer.

Meanwhile many companies are scrambling to undo Lotus's 1-2-3 in the number of functions that can put into one program. "Lotus has been coasting until now. At Comdex, you'll see so much competition for them it'll make your head spin," said Mr. Wagon of Softel, referring to a trade show to be held in Las Vegas next month.

If there is a shakeout, it is not likely to be as dramatic as the hardware shakeout. Companies in the software business are less well-known than those in the hardware business and can survive much longer with less cash because of far lower overhead costs. "I don't think you'll have any glamorous bankruptcies," said Miss Dyson of RELEASE 1.0. "You'll have witherings away and acquisitions. You can disappear more discretely in software."

Signs of the impending shakeout and consolidation are everywhere. Retail shelves cannot accommodate all the available programs, and salesmen cannot learn how to use and demonstrate even a significant number of them. Business Software, an Australian company owned by Arthur Young & Company, is offering computer store salesmen prizes, such as Swiss army knives and personalized coffee mugs, to induce them to sell the company's financial planning software.

Products, of course, can still be noticed if they have innovative features. Multimate, a word processing program, has broken into the market because it allows the I.B.M. personal computer user to behave much like a Wang word processor. This means that secretaries trained on Wang machines can easily transfer to the I.B.M. machine. Software Systems of East Hartford, Conn., which developed Multimate, also found a different way of getting money needed to break into the marketplace. It received a contract from a life insurance company to develop the word processing program. It did, and kept the marketing rights.

So far the software industry has not seen the kind of price war that has struck hardware. Visicalc still has a list price of \$250 and Wordstar of \$495. But numerous products are being introduced at far lower prices in a grab for market share. And some industry executives think price declines and further pressure on margins is inevitable.

"I think that some companies have overpriced their products and are living with high overheads," said Fred Gibbons, president of Software Publishing Company, which achieved \$10.2 million in revenues last fiscal year on low-priced PFS series of programs. "They are in enormous jeopardy."

While sales of personal computer programs are booming, so are the number of suppliers — large and small. Is a shakeout inevitable?

useful tasks. These lone programmers working in their basements are also dreaming of creating the next Lotus.

But such visions may be unrealistic — for Mr. Kapor's accomplishment, dramatic as it may be, is no rag-to-riches success story. Mr. Kapor was amply backed by nearly \$5 million in venture capital. To introduce its personal computer program, called simply "1-2-3," Lotus spent more than \$1 million in advertising in a three-month period — an unprecedented level for the industry.

Indeed, Lotus's appearance on Wall Street is a harbinger of a basic change in the booming microcomputer software business — it's the end of the cottage era and the beginning of an age in which giants will be clashing for a fast-growing and increasingly competitive market. Well-heeled newcomers — publishers such as McGraw-Hill, accounting firms like Arthur Young & Company, and

1.0, an industry newsletter. "Things will never be the same again." This assessment was shared by Philip Ingebo, president of Concor Computer Corporation, a software firm: "The days when you can place one ad in Byte magazine and get started are gone."

The race for capital to compete in the business is already underway. Both Lotus and BPI Systems have gone public — and others at the top of the software league are soon to follow. Ashton-Tate has already filed for a public offering, and Micropro International is considering it seriously. "It's not a small ballgame anymore," said Wynne Jennings, chief financial officer of Innovative Software, a small company in Overland Park, Kan., which raised about \$4 million in a public offering last month.

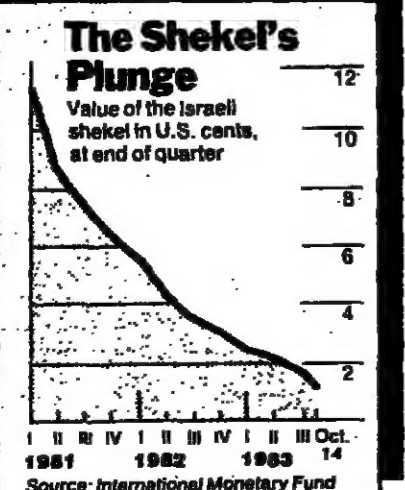
In fact, the software business is expected to soar to \$11.7 billion in 1988 from \$2.2 billion this year, according to Future Computing, a Dallas mar-

WEEK IN BUSINESS

Turmoil Capsizes Israel's Economy

No sooner had Israel's new Prime Minister, Yitzhak Shamir, been sworn into office than the nation's worst economic crisis in years hit like a storm. Widespread fear that the Government would institute a 50 percent devaluation of the Israeli shekel had created panic buying of dollars and dumping of the usually stable bank stocks on the Tel Aviv Stock Exchange. The Government reacted swiftly. It shut down the exchange, halted all foreign currency trading and a day later devalued the shekel by 23 percent. It also cut subsidies on basic foodstuffs in half and promised to support the value of the bank shares. Such austerity measures were cheered by some and scorned by others. Israelis flooded stores, buying up goods before the devaluation took effect, and many called for the resignation of Finance Minister Yoram Aridor, whose economic policies have been under attack for months. Late in the week, Mr. Aridor did indeed resign after the Shamir Cabinet rejected his plan to replace the shekel with the dollar as the currency for salaries, budgets and prices.

Nervous debtors. The \$500 million that Argentina has been expecting from its creditor banks was held up again. The country, \$40 billion in debt, would have used the funds to meet \$350 million in overdue payments. The banks did show some mercy — they permitted yet another extension



on the payment deadline, which has already been pushed back 30 days. Banks were also worrying about the Government of Ferdinand Marcos. A 21.4 percent devaluation of the Philippine peso earlier this month sparked feverish buying of dollar reserves. Consequently, the Government has not been able to make payments on its \$18 billion in debt, and a meeting between the central bank and major lenders raised concern that the Philippines would be the next country to require a debt rescheduling.

Texas Instruments is still struggling with personal computers. After

huge losses from its 99/4A model, the company had planned to introduce a more powerful 99/8 computer. But T.I. announced that no such model would go on sale this year and analysts speculated that the company had shelved the project. T.I. did have some encouraging news. An 18-month suit against the highly successful Compaq Computer Corporation and several of its founders who had defected from T.I. was settled out of court. Compaq admitted that it had infringed on T.I. patents and reportedly agreed to "substantial payments" for licensing rights.

Strong economic growth continued well into the third quarter, as industrial production rose 1.5 percent in September, retail sales gained 1.6 percent and auto sales surged 44.9 percent in the first 10 days of October, to an annual selling rate of 6.7 million cars. Inflation continued very modest in September, as the Producer Price Index rose two-tenths of 1 percent. However, with the Agriculture Department's final crop report showing the corn harvest 40 percent below last year's, analysts expect food prices to surge beginning in the spring.

Disciplining the Lieutenants. President Reagan has imposed a kind of censorship on his two chief economic advisers. For the last month, Martin Feldstein, chairman of the Council of Economic Advisers, and Treasury

Secretary Donald Regan have been required to clear their speeches with the White House. The two have clashed over the effects of the budget deficit and the President wants to create at least an outward sign of more harmony.

The stock market broke to new highs and then plunged in reaction to higher interest rates. The Dow finished the week 8.63 points lower, closing at 1,263.32. Interest rates intimidated the markets until the Federal Reserve reported a \$1.1 billion drop in the money supply on Friday. Rates then fell sharply, leaving the Government's 30-year bellwether bond with a yield of about 11.50 percent.

Gulf Cries "Wolf." Reports that Texas oilman T. Boone Pickens was buying up a lot of Gulf Oil stock sent the oil giant scurrying to protect its flank. The nation's No. 5 oil company plans to reorganize as a holding company under Delaware law. The move will make it much harder for dissident shareholders to get representatives on the board. A Gulf spokesman said the corporate change was necessary to prevent a "Wall Street wolf" from "shooting his way onto the board." Mr. Pickens did not utter a sound.

Mr. Pickens, meanwhile, abandoned his \$466 million effort to corral KN Energy Inc. because of continued resistance from KN's management.

The New York Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED OCTOBER 14, 1983

| Company | Sales | Last | Net Chng |
|----------|-----------|------|----------|
| Gulf Oil | 7,162,900 | 47 | + 2% |
| AT&T | 6,971,200 | 65% | + 1/2 |
| IBM | 6,048,300 | 37% | + 6% |
| Cin GE | 5,108,000 | 14% | - 1% |
| IBM | 5,011,500 | 131% | - 1/2 |
| Exxon | 3,911,000 | 38% | + 1% |
| G Mot | 3,849,700 | 77% | + 1% |
| Comds | 3,661,800 | 22% | - 15% |
| Tandy | 3,615,300 | 37% | - 1% |
| Chrysler | 3,072,900 | 31 | - 1% |
| East Air | 3,061,800 | 5% | - 1/2 |
| Citico | 2,842,100 | 34% | - 1% |
| Mer Ly | 2,774,700 | 34% | - 2 |
| Dayt PL | 2,719,400 | 15% | - 1% |
| Alt Rich | 2,570,400 | 46% | + 2 |

MARKET DIARY

| Advances | Declines | Total Issues | New Highs | New Lows |
|----------|----------|--------------|-----------|----------|
| 769 | 1,211 | 2,226 | 147 | 35 |
| 1,412 | 630 | 2,226 | 243 | 22 |

VOLUME

| Total Sales | Same Per. 1982 |
|----------------|----------------|
| 361,524,340 | 592,446,561 |
| 16,964,526,762 | 11,995,925,758 |

WEEK'S MARKET AVERAGES

| High | Low | Last | Net |
|-------|-------|-------|-------|
| 116.4 | 114.0 | 114.5 | -0.50 |
| 97.4 | 94.7 | 95.1 | -2.10 |
| 49.2 | 48.6 | 48.7 | -0.64 |
| 98.8 | 98.1 | 98.2 | -2.37 |
| 99.6 | 97.8 | 98.0 | -0.72 |

New York Stock Exchange

| Indust | Transp | Utilities | Finance | Composite |
|--------|--------|-----------|---------|-----------|
| 116.4 | 97.4 | 49.2 | 98.8 | 99.6 |
| 114.0 | 94.7 | 48.6 | 98.1 | 97.8 |
| 114.5 | 95.1 | 48.7 | 98.2 | 98.0 |
| -0.50 | -2.10 | -0.64 | -2.37 | -0.72 |

Standard & Poor's

| 400 Indust | 20 Transp | 40 Utilities | 40 Financial | 500 Stocks |
|------------|-----------|--------------|--------------|------------|
| 195.2 | 31.7 | 69.7 | 19.3 | 173.1 |
| 189.9 | 30.5 | 67.7 | 18.5 | 168.2 |
| 191.6 | 31.0 | 68.3 | 18.7 | 169.8 |
| -0.58 | -0.46 | -1.23 | -0.58 | -0.54 |

Dow Jones

| 30 Indust | 20 Transp | 15 Utilities | 65 Comb |
|-----------|-----------|--------------|---------|
| 1266.6 | 591.9 | 139.3 | 511.1 |
| 1250.5 | 572.6 | 135.8 | 496.4 |
| 1268.5 | 580.5 | 137.3 | 502.0 |
| -8.93 | -6.19 | -1.59 | -4.31 |

The American Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED OCTOBER 14, 1983

| Company | Sales | Last | Net Chng |
|---------|------------|------|----------|
| ImpCh | 15,396,400 | 8% | - 1/2 |
| TIE | 2,019,700 | 30% | - 6% |
| WangB | 1,900,900 | 38 | - 2% |
| DomeP | 777,800 | 4 | + 1/10 |
| Vrbm | 685,800 | 25% | - 1% |
| McHn | 571,200 | 13% | + 2 |
| KeyPh | 454,800 | 29% | - 1% |
| ReartA | 435,800 | 45% | + 1/2 |
| TexAir | 388,700 | 6% | + 1/2 |
| McDow | 342,800 | 12 | + 1/2 |

MARKET DIARY

| Advances | Declines | Total Issues | New Highs | New Lows |
|----------|----------|--------------|-----------|----------|
| 298 | 519 | 928 | 45 | 28 |
| 438 | 368 | 919 | 58 | 88 |

VOLUME

| Total Sales | Same Per. 1982 |
|---------------|----------------|
| 43,702,550 | 46,819,385 |
| 1,727,026,000 | 914,722,100 |

The New York Times

Founded in 1851

ADOLPH S. OCHS, Publisher 1896-1935
ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVILLE DRYFOOS, Publisher 1961-1963

ARTHUR OCHS SULZBERGER, Publisher
A.M. ROSENTHAL, Executive Editor
SEYMOUR TOPPING, Managing Editor
ARTHUR GELB, Deputy Managing Editor
JAMES L. GREENFIELD, Assistant Managing Editor
LOUIS SILVERSTEIN, Assistant Managing Editor
MAX FRANKEL, Editor, Page Editor
JACK ROSENTHAL, Deputy Editor, Editorial Page Editor
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Time for a Pro

It's hard to believe that President Reagan thinks his political troubles at Interior take precedence over his diplomatic and military troubles abroad. Before shifting his friend William Clark from national security adviser to Secretary of the Interior, the President surely considered what he would lose as well as gain. Appropriately, he seems to have concluded that Mr. Clark's performance in foreign affairs was dispensable.

So far so good. It may have been important 15 months ago to summon Mr. Clark to replace the hapless Richard Allen and to help arrange the dismissal of Secretary of State Haig. But his only continuing contribution is to reinforce Mr. Reagan's attitudes toward the world.

The two men disdain the Soviet system to the point of shunning communication with its leaders. They both tend to see most problems only through a cold-war prism. They share an excessive faith in the diplomacy of force and an excessive mistrust of arms control.

But attitudes, even sound ones, are not policies. And Mr. Clark, like the President, lacks the global knowledge and sense of history to translate prejudice into strategy. Americans make a virtue of amateurism in diplomacy, rightly believing that wisdom depends less on expertise than shrewd judgment applied to a good brief. But the more amateur the President, the greater his need for a professional adviser.

Mr. Clark was briefing the President daily on crucial choices while occupying a White House position in which intellectual capital is rapidly depleted, not acquired. That is the testimony of men like

Henry Kissinger and Zbigniew Brzezinski, who arrived far better endowed than Mr. Clark. If Mr. Reagan has finally recognized his friend's professional deficiency, he has had a worthy insight.

The national security adviser need not be the mastermind of American foreign policy. Leadership can come from the Secretaries of State, Treasury or Defense or even the head of the C.I.A. But often these officials, driven by parochial bureaucracies, disagree on courses of action and priorities, and only the President can decide. The quality of his decisions depends entirely on how precisely these conflicts are defined by his own staff.

That is why in all recent Presidencies, the national security adviser has been the least political and personal, and the most ministerial assistant. And President Reagan's need is greater than his predecessors'. He has no one experienced in diplomacy at the head of any of the major foreign affairs departments.

The bureaucratic pulling and hauling is obvious on every continent. Mr. Reagan has managed to survive or undo much of the damage. But he is nowhere with the Russians, at sea in the Middle East, waiting for Henry Kissinger on Central America, struggling to protect world finance and free trade and mortgaging huge budgets to weapons that provide no early remedy.

One new White House adviser will not set everything right, but it would help if the President has finally recognized that something central is very wrong.

The Truth About Israel's Shekel

The main fact about Israel's sudden sense of economic crisis is that the crisis isn't sudden at all. It's been building for years. Israel is in the same fix as dozens of other countries whose plight has created a global debt crisis. It, too, suffers from roaring inflation, economic mismanagement and an inability to make ends meet. But Israel's trouble has deeper roots: a chronically precarious existence requiring huge military budgets.

The most obvious manifestation of Israel's problem is the relentless pace of rising prices — 131 percent last year. Because almost all wages are indexed directly to prices, the average citizen was sheltered from inflation's full impact. But the indexing only reinforced the inflation.

To make matters worse, the Begin Government moved into the 1981 elections by increasing subsidies, cutting luxury taxes and admitting a flood of costly imports. Israelis went on a buying spree just as they went into another war, putting the balance of payments into even deeper deficit. The country's public and private foreign debt is approaching \$30 billion, and the interest consumes virtually all of the direct economic aid obtained from the United States.

Corrective action was overdue. An earlier

small devaluation of the shekel only invited more speculation and forced the 23 percent devaluation last week. Food prices jumped simultaneously, up to 50 percent, as the Government slashed agricultural subsidies to ease the strain on a \$21-billion budget already burdened by the Lebanese war and extensive construction in the occupied territories.

Finance Minister Yoram Aridor wanted to preserve a continuing discipline by tying the shekel's value to the American dollar's and thus abolishing indexation. Economists disagreed about the merit of a fixed exchange rate, and Israel's politicians recoiled in horror from the idea that an external power would control the value of their currency. Mr. Aridor lost his job.

But one way or another, economic weakness jeopardizes Israel's independence. Its relationship with the United States, in particular, is too precious to be compromised by resentments over how it uses American aid. Something had to be done.

How much Prime Minister Shamir will do remains to be seen. He deserves credit for acting quickly, at the start of his tenure. But austerity is never popular and his margin in the Knesset is slim.

King of the Streets

Philippe Petit, son of a French Air Force colonel, caught New York's fancy nine years ago when he walked on a wire between the World Trade Center's twin towers. Last year, he carried a symbolic silver trowel from the 16th story of a building across Amsterdam Avenue to the chronically unfinished tower of the Cathedral of St. John the Divine.

But it's in the streets that he regularly does yeoman's work toward keeping the city the most richly varied in the world. At South Street Seaport or Washington Square he draws a large chalk circle on the pavement and, putting his unicycle and juggler's valise inside, begins to make his three white balls strut in the air or stroll up and down his arms and to make his three fiery torches fly.

He works in a self-taught silent language and "in the tradition of passing the hat," he says. It's a marvelously battered black top hat that stands on its brim on his nose before people are asked to put in coins.

On top of a building there is something of Christ-to's public grandeur about him, but down on the street, a resemblance to Danny Kaye. He carries a mirror for teddy bears to peer into, and a set of scissors so that a child riding on her father's shoulders can threaten to snip off a bit of his hair. In the gadget bag he has spoons and forks for mining a meal, and a rope to tie between park benches and dance upon.

In Paris 20 years ago, the line he drew on the sidewalk was straight to approximate the edge of a stage. But gradually it became curved and now is a circle because he prefers working surrounded by the crowd. Tiptoeing to "tell" a secret, miming joy to a little boy, cycling boldly round and round or coaxing people to toe the outside of the chalk circle meticulously, he is "interested in perfection," he says. And unlike other graceful daredevils and impromptu actors, he believes perfection can be found down here in the streets.

Topics

Dog's Life / Woman's Place

The Imperial Pet

These days, the Pekingese is the dog most likely to be found sitting on a windowsill yipping at passers-by. But for 10 centuries it was the dog most likely to be found sitting on a Chinese emperor's lap — and no place else.

Its breeding was closely guarded; its theft a crime punishable by death. In 1860, however, the British invaded Peking's Imperial Palace and looted the royal lap dog on the West.

Now the families of those Pekingese that remained in Peking are faced with oblivion: The Peking city government has banned all dogs and ordered owners to destroy theirs.

The reason? Dogs have "an ad-

verse effect on social order." They do indeed.

Dogs are noisy, nosy, easily distracted and far too friendly. They snarl when they're angry, slobber when they're happy and are fond of lost causes, like chasing cats.

Dogs, in short, are forever getting out of line. That's why there's no place for the descendants of the imperial pet in Peking — and countless windowsills for them to perch on over here.

Sex Symbols

A man named Clayton Bailey has just shown the world his idea of "what a pretty female robot should look

like." The robot, known to her creator as "Sweetheart," has enormous iron breasts, wears a ballerina's tutu and produces a great cup of coffee.

Until recently, she was pouring at a University of California science display. Now, however, she's in seclusion; a number of guests didn't find the joke all that funny.

They might have, however, if Mr. Bailey had given his pretty female robot a male partner. Together, Sweetheart and Swain might have provided a wonderful display of stereotyping as it applies to both sexes.

What's tasteless about Mr. Bailey's tutu'd coffee-provider, after all, is not the caricature itself but the way he linked a role to a sex.

Letters

When Network Exit Polls Eclipse the Ballots

To the Editor:

As chairman of the Task Force on Elections in the House of Representatives and as a member of the House Telecommunications Subcommittee, I feel constrained to correct a misconception in your Sept. 30 editorial "Vote, Day and Night."

The editorial states that 24-hour voting would largely eliminate the problem of network projection of election results while people are still voting, even though "projections might still be made on the basis of surveys taken before the polls closed." However, those "surveys" — otherwise known as exit polls — are precisely the problem. And, unfortunately, they are a problem that 24-hour voting will not solve.

In fact, because of the relatively new phenomenon of projecting election results based on those exit polls, poll closing times are no longer relevant. With exit polling, the networks can project election results within a matter of hours after the polls open — and well before any polls have closed anywhere.

Exit polling has been used by the networks for some time to describe voting patterns — to analyze which kinds of people voted for which kinds of candidates and why. Used in that way, exit polls have contributed greatly to our understanding of the American electorate.

What was new in 1980 was the use of exit polls by one network to actually project the results of the Presidential election. By 1982, all the networks were projecting election results based on exit polls.

The stated policy of the networks is that although they have the capacity to do so, they will not project elections within a given state until the polls have closed in that state — except: Except in states like those with two time zones (which is about one state



in four). Except if there are just a few minutes until the polls close (which was the case when 1982 Senate races were called in several states, including my own State of Washington).

Now, on the one hand, the media are urging radical changes in the election process, like 24-hour voting and uniform poll closing times. (In Congressional hearings last year, state and local election officials outlined the enormous difficulty, disruption and expense of shifting to that kind of system.) And on the other hand, the networks cannot guarantee

either that they will follow their present policy more rigidly, or that they — or some competitor — will not in the future follow a different policy, and simply project election results regardless of the poll closing time.

In short, we could easily find ourselves in the situation of having caused great dislocation and expense by changing traditional polling hours, only to find competitive factors causing the media to use exit polls to project results ever earlier — before polls are closed — and thereby to short-circuit the legislative solution completely.

Uniform poll closing times, to be successful, would be totally dependent on voluntary restraint by the news media. Yet if the media were serious about a voluntary solution to the problem, they could implement one now.

At the same time, many in Congress recognize that satellite and other technologies will expand news sources, and that competition to be first will continue to increase the pressure to use exit polls.

It is difficult to believe this would not have a profound effect on citizens' attitudes toward their votes and toward our entire electoral process. Congress has begun considering the problem of early projections, and exploring workable solutions — which, unfortunately, do not include 24-hour voting, or uniform poll closing hours, or any of the other ideas the networks have so far indicated they might support.

AL SWIFT
Member of Congress, 3d Dist., Wash.
Washington, Oct. 6, 1983

McGovern Picks Up McGovern's Standard

To the Editor:

Reactions, sometimes, are more telling than actions. The reaction during the last two weeks to George McGovern's Presidential candidacy has been a case in point.

Here's one example. On the day McGovern declared his candidacy, the CBS Evening News covered the event. Dan Rather noted, first, that McGovern had run for President in 1972. The next piece of information he imparted had nothing to do with what McGovern had said. Instead, it was that in 1972 McGovern's "nickname" had been "McGoo." On the screen appeared the words "Nickname: McGoo."

Few reactions to McGovern's candidacy have been quite so cheap and openly biased. But the differences among them have been only differences of degree. Newsweek reported that McGovern wants another chance to "cavort" in the limelight. In Boston, a reporter compared him to an adolescent trying, once too often, to gain attention by "belching" loudly at a social event. Others have been satisfied simply to equate George McGovern with Harold Stassen.

Why this reaction? After all, McGovern is no frivolous gadfly. Not so long ago, he led the successful movement to democratize the Democratic Party. He won primary elections and the party's nomination for President.

To be sure, he lost the election. That, no doubt, is one explanation for the reaction to his present candidacy. In the degenerate state of our political culture, defeat tends to eclipse everything else. The media focus on

potential for victory and ignore the quality of persons and ideas.

But not always. Barry Goldwater is still treated with respect. He was a candidate of ideas. He sought to make a long-term impact on our politics. He sought to move his party to the right. Had he run a second time for President, he would have been taken seriously. What makes McGovern different is just this: He moved his party not to the right but to the left — and he seeks to move it to the left again.

That, it seems to us, is reason enough to support his candidacy. In a field of chameleons — filling their grab bags with pretty much the same old programs to service the same collection of aspiring policymakers and organized interest groups — McGovern's voice and character are unique.

It is said that he too is reviving "old" themes: the themes of the 1972 campaign. In broad outline, that is true. Once again, he alone is speaking for a fundamental reorientation of our politics toward a democratic populism at home and justice and restraint abroad.

Look at it this way: Reagan picked up Goldwater's standard in the Republican Party. No one, this year, has picked up McGovern's standard in the Democratic Party. So, McGovern has done it himself. We're for him.

(Prof.) RICHARD PARKER
(Prof.) LEWIS SARGENTICH
(Prof.) DUNCAN KENNEDY
Cambridge, Mass., Oct. 6, 1983
The letter was signed also by four other Harvard Law School faculty members.

Threat of 'First Use' Invites a First Strike

To the Editor:

Joseph Joffe (Op-Ed Oct. 4) said concerning a policy of "no first use" of nuclear weapons by NATO, proposed by four former American officials, that "the Russians would... have every incentive to make that promise watertight by destroying NATO's last-resort weapons from the very beginning."

He has confused the issue. A precondition for nuclear weapons to have any deterrent value is that a sufficient number can survive a first strike. Otherwise they are likely to provoke a nuclear attack rather than deter it, regardless of any declared intentions on how they might be used.

Furthermore, nothing would put as much pressure on an opponent to use his nuclear weapons first as the fear that otherwise he might suffer a nuclear first strike. In its own interest, NATO had better make it clear that its nuclear weapons serve only the function of deterring nuclear war, never of initiating it.

To achieve this, more is needed than a mere verbal promise; it requires a restructuring of nuclear forces so that they cannot be destroyed in a first strike and also cannot be used to carry out a disarming first strike. Threatening first use is an invitation to an opponent not to wait until that happens.

To deter conventional aggression, a credible conventional defense is needed.
DIETRICH FISCHER
New York, Oct. 5, 1983

Ireland Doesn't Want The Ulster Problem

To the Editor:

Wherever does Jon Nordheimer or the editors of Week in Review ("Politics in Ulster," Oct. 2) get the idea that there is any "progress toward the reunification of Ireland through peaceful and constitutional means" which the I.R.A./Sinn Féin might have to spend any effort in "crippling"?

The majority of those electors in the Irish Republic who bothered to turn out last month decided to amend their constitution to "elevate" the merely legal ban on abortion into a constitutional prohibition. Divorce is already proscribed in the Republic's constitution.

Does this sound like an electorate which is ready to accommodate a British Protestant population that would be 20 percent or more of an all-Ireland state and that is geographically concentrated in one corner of the island that these two nationalities share?

When are you going to put someone in Ireland long enough to realize that public opinion in the Republic, at elite or mass levels, does not want the responsibility of the Ulster problem, not militarily, economically or culturally. The reunification of Ireland is no more likely than the reunification of Iberia or Scandinavia.

London may eventually sicken of the Ulster morass and withdraw its responsibility, but that will lead to a "Lebanon scenario" — not at all like the limited violence so far — in which Dublin might be forced to annex the border districts to prevent the establishment of an I.R.A. "mini-state" (like Syria and Israel in Lebanon), but that would not, of itself, bring substantive Irish unity one step closer.
ROBERT ST-CYR
Greenlawn, L.I., Oct. 2, 1983

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

Fix the Legal Ground for Organ Transplants

To the Editor:

There has been a great deal of attention devoted in recent weeks to the inadequacies in existing public policies regarding the procurement of organs for transplantation. Recent suggestions that commercial markets might be an appropriate method for solving the grave shortage in the available supply of organs have elicited an appropriate array of condemnation and criticism in The Times and other newspapers.

Representative Albert Gore Jr. of Tennessee has introduced legislation into Congress which would ban the sale of organs and would also help to alleviate some of the organizational deficiencies which plague the present system of procurement. This legislation is a step in the right direction.

But there is another simple policy step that New York, Connecticut and many other states could take to help relieve the needs of those now awaiting life-saving organ transplants.

New York State has yet to institute a law recognizing the irreversible cessation of brain function as the definition of death. Modern technology has simply made older definitions of death based upon cardiopulmonary function obsolete. Numerous organizations including the President's Commission for the Study of Ethical Problems in Medicine have urged the adoption of a criterion of brain death as that which is

most consistent with medical capability and patient interest.

Every state including New York should move to adopt the brain death definition. Until this is done those physicians and nurses willing to make inquiries about organ donations will be hamstringing by doubts about their own legal and ethical obligations.

Public education alone will not suffice to solve the problem of a shortage of organs. Without a clear, unambiguous law clarifying the definition of death, health care professionals will still be wary of involving themselves with organ donation. The law can no longer afford the luxury of trailing so far behind medical science — not when so many lives hang in the balance.
ARTHUR L. CAPLAN
Associate for the Humanities
The Hastings Center
Hastings-on-Hudson, N.Y., Oct. 7, 1983

A Blow for Inhumanity

To the Editor:

In your Oct. 7 issue we learn of another boxing death: "Oh, geez, my head" — Isidro (Gino) Perez's last words. We feel so helpless in stopping most of society's inhumanity. Why can't we proudly take a stand here and either abolish boxing or make it safer?
JACQUELYN K. SCHWIMMER
New York, Oct. 7, 1983

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مكتبة من الصحف

WASHINGTON, Oct. 15 — "This is the ballgame," opined one of the President's closest longtime advisers. To him, the choice of the national security adviser to replace William Clark would determine both the image and the reality of Reagan foreign policy.

Why should the choice of an individual be the political equivalent of the seventh game of the World Series? Because Mr. Reagan's policies lack definition. His oratory in dealing with the Kremlin has been upright and his position supine; in the Middle East, he was at first wrongheaded and is now uncertain; only in Central America is his policy in line with his philosophy. His choice of adviser will symbolize what he stands for.

In William Clark, he had a man whose most memorable line in the White House — early-morning staff meetings was "I'll be back to you by ten." The quiet, low-key friend of the President was never the giver of guidance, merely its distributor. When it was somewhat cruelly suggested in this space that he was living proof that still waters could run shallow, his many supporters rushed to assure me that Mr. Clark was a man

with "all the right instincts." So he was and is. At Interior, a department that now cries out for a silent Secretary, his combination of decent instincts and studied inarticulateness is better suited for the job. At the National Security Council, Mr. Clark's instincts were right on the key issue of trade with the Soviet Union, but while he was murmuring his hardline espousal of linkage, The Great Decoupling took place. No longer does the Soviet Union have to worry about the effect on its pocketbook of any arms-control obstinacy or its aggressive moves anywhere in the world.

At the center of power, good instincts are not enough. Nor will good bureaucratic infighting skills suffice, or personal closeness to the President. The national security adviser must have — and when asked, must help develop — the President's Weltanschauung, the world view backed by experience and conviction that gives consistency and purpose to all the decisions the President makes that override the parochial concerns of individual departments.

In replacing Mr. Clark, the President — like it or not — will be telling

ESSAY This Is The Ballgame

By William Safire

the world what kind of foreign policy he has in mind. As this is written, he has not yet made his choice, but if the announcement is made before these lines see print, the reader will have the secret thrill of being his own pundit.

1. The Apparatchik Option. Quick, who was President Ford's national security adviser? The answer is Brent Scowcroft, who worked for Henry Kissinger before, during and after his N.S.C. service. (General Scowcroft, a fine and faceless fellow,

is notable chiefly for not having afflicted us with a memoir.) In that professional-deputy tradition marches Marine colonel Robert McFarlane, a born No. 2, weak on Middle East dictators but strong on Washington paper-shuffling; he is the choice of the departing Mr. Clark, to whom he provided guidance before ten, and of the Baker-Deaver-Gergen-Darman White House ultrapragmatist set, which sees in him a maker of no hawkish waves.

2. The Assertive Option. U.N. Ambassador Jeane Kirkpatrick reflects what once was proudly considered the Reagan foreign policy. She is brilliant, articulate and up to speed; her elevation would not only be politically sensible but a clear signal to Moscow that intimidation will not work. She is stimulating rather than sweetly collegial, and both George Shultz and Caspar Weinberger work better with an intellectual challenge. If she does not get the adviser's job this time, it will prove that no opportunity exists in the Reagan Administration for an effective hardliner, and she should disassociate herself from further drift into a policy that celebrates the shrinkage of linkage.

3. The Option 3 Option. In bureaucratic President-manipulating, "Option 3" is always set up as the choice between extremes. If the apparatchik option does not fly, and if the President is fearful that Secretary Shultz would be distressed by the choice of Ambassador Kirkpatrick, the name of Navy Secretary John Lehman will surface. Other strong-minded types in this category are Fred Ikle, Richard Perle and Laurence Silberman; Secretary Shultz should be putting forward Larry Eagleburger and Richard Burt. The return to the White House of Donald Rumsfeld or Richard Allen would be resisted mightily by the ultrapragmatists, but the President might not care.

Which choice would be best for the country? An apparatchik would signal continued indecision. An Option 3 choice would merely play it safe.

The choice of Mrs. Kirkpatrick would reassert the original Reagan policy and thereby reinvigorate the faithful. A captive of no departmental constituency or White House clique, she would truly be "the President's man," proving to disaffected diehards Yogi Berra's adage that the ballgame ain't over till it's over.

WASHINGTON

Uniquack On the Election

By James Reston

WASHINGTON, Oct. 15 — Once every four years before the Presidential primary elections, we turn in this corner to our old computer buddy Uniquack for help. It was invented here in the popular days of the lie detector in the belief that what we really needed was a truth detector. We had a little private discussion:

Q. What's new in the world of political computers?

A. We now raise more money for more politicians who don't deserve it.

Q. Anything else?

A. We can now talk.

Q. What a pity. I heard a computer make a commencement address the other day and wasn't inspired. Learned any other tricks?

A. We are now beginning to foresee the future more clearly.

Q. Mmmm... That's more interesting. Who's going to win the 1984 Presidential election?

A. It's between R. Reagan and J. Glenn.

Q. How do you know?

A. All our data confirm what has been reported here before. With few exceptions, the American Presidents of this century have had a double letter in their names, whereas the single-letter candidates have invariably been losers.

Q. Don't be ridiculous.

A. Just look at the record of the winners: William McKinley — two L's for William. Theodore Roosevelt, two O's. Followed of course by William Howard Taft, with his stand-up L's, Woodrow Wilson, Calvin Coolidge, Herbert Hoover, Franklin Roosevelt and Harry Truman.

Q. How do you suppose that double-L George Gallup overlooked this trend?

A. He was probably out to lunch.

Q. So you are saying that in 1984, with George Orwell looking on from wherever he is, it will be a contest between Ronald Reagan's two initials and Glenn's two N's? And you assume that Reagan will run?

A. He loves to run. That's all he does. It's governing he dislikes.

Q. Please keep your opinions out of this and stick to the facts. How on this theory do you explain the success of Eisenhower?

A. His initials were D.D. for Dwight David.

Q. And Richard Nixon. Wasn't he President?

A. The historians are still debating what he was.

Q. Okay. So you rule out Fritz Mondale, Alan Cranston, George McGovern and all those other one-letter types?

A. Yes, but I don't rule out Senators Ernest Hollings of South Carolina or

Rising Mideast Dangers

By George W. Ball

PRINCETON, N.J. — The Soviet Union has stationed 7,000 troops and advisers with Syrian forces — some within 50 miles of our Marines — to operate and guard highly sophisticated Soviet planes and missiles. If the fragile cease-fire collapses, as seems likely, in another round of American bombing and shelling of Syrian-supported Druse forces, Soviet personnel might be killed, producing a major American-Soviet confrontation.

Now comes the news that the Russians are further increasing the Syrian buildup by sending in SS-21's — mobile surface-to-surface missiles with a 75-mile range. Though the White House is properly disturbed by this escalation, it is not clear why President Reagan is, in his words, "wondering about" a development that has long been predictable. When Israel used our most advanced weapons and equipment — in violation of American law and the terms on which they were supplied — to destroy Soviet-supplied SAM sites and planes protecting Syrian positions in the Bekaa Valley, the Russians were bound to respond forcefully.

The Israelis, even some Americans, celebrated that "famous victory" with glee, but those with a knowledge of history were dismayed. They knew the Israelis had committed — and we let them commit — a reckless blunder. Experience has shown again and again that no nation can embarrass a great power without inviting an

George W. Ball was Under Secretary of State in the Kennedy and Johnson Administrations and United States permanent representative to the United Nations in 1968.

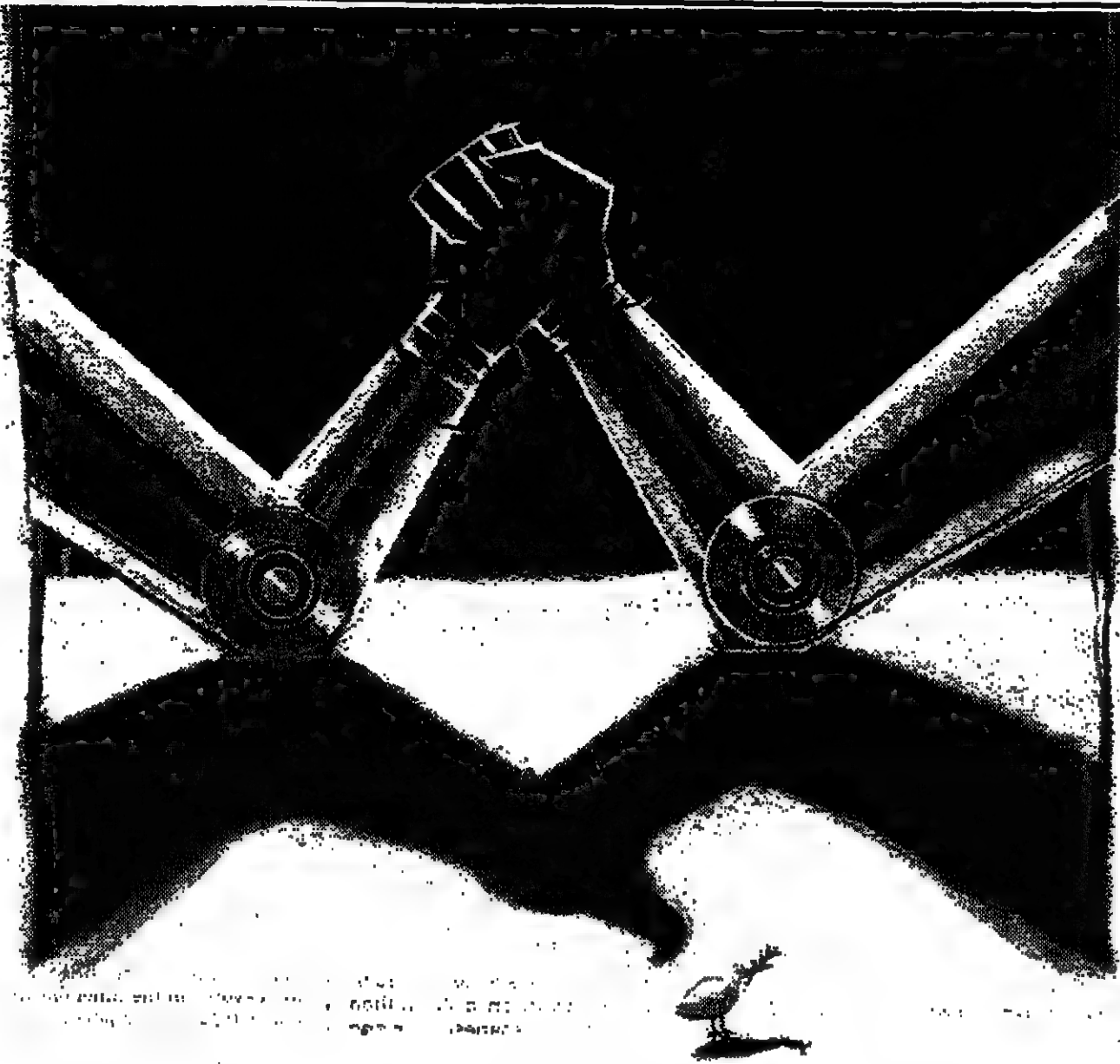
ugly response. By demonstrating that America's most advanced weapons were dramatically superior to the Russians' relatively obsolete equipment, the Israelis compelled the Kremlin to act drastically to save face, so it replaced the destroyed planes and SAM sites with its most advanced and sophisticated equipment — MIG-23 and MIG-25 fighter planes, up-to-date M-72 tanks, SA-5 anti-aircraft missiles — and now SS-21's, which can easily reach Israeli population centers.

That equipment necessarily brought in Soviet military personnel. Moscow is unwilling to let poorly trained Syrian pilots fly its finest aircraft against experienced Israeli airmen — and, besides, it is far more cautious than we. Averse to letting other countries misuse its best weapons for purposes that may contravene its policies, it has never sent highly advanced equipment outside the Warsaw Pact boundaries except in the hands of its own troops and advisers.

Thus, deployment of SS-21's, following a familiar pattern, adds one more element to the lamentable aftermath of Israel's adventure in Lebanon. Not only did it affect the Middle Eastern power balance by strengthening Moscow's hold over the Syrians and bringing in Soviet personnel, it has also drawn in American forces hazarding close to the Russians.

While prior American Administrations had considered Lebanon a dangerous trap and refused to expose our forces to its factional in-fighting, Mr. Reagan reversed that policy when he deployed Marines to halt Israel's bombardment of civilian areas of West Beirut and to facilitate the expulsion of Palestinian Liberation Organization leaders, demanded by the Israelis. To be sure, he withdrew them after a brief period, but a precedent had been established; and, after the murder of President-elect Bashir Gemayel, and Israel's failure to protect Palestinian civilians from the Sabra and Shatila massacre, he sent them back to remain indefinitely.

I doubt that the Marines will take much comfort from the thought that the Israelis, who got us into this mess, have gone south for the winter. With a relentless singleness of purpose, Israel's leaders have never lost sight of



their long-term objective — to impose what they hope will be permanent hegemony on the southern third of Lebanon, an area that includes the waters of the Litani River, which they have long planned to divert to replenish their own depleting aquifers.

So while Mr. Reagan "wonders about" our Lebanese predicament, I hope he will also ponder the lessons of this tragic year. In particular, he

might take a tip from the Russians and stop supplying another nation with our advanced weapons without effective measures to insure that they will not again be used in violation of our restrictions and in total disregard of our interests and objectives. But that is more a pious hope than a prediction.

Israel, it is reported, is expected to ask us for Pershing missiles to

counter the SS-21's. What would that do? It would provide the means for a sneak attack to destroy those Soviet-manned weapons as Israel destroyed the Iraqi nuclear reactor — a splendid scenario for World War III.

However mindless it may seem, do not count on either the White House or Congress to refuse an insistent Israeli demand. Never expect sanity this close to a Presidential election.

1970's Economic Rerun?

By Gar Alperovitz

slashed conservation and solar-energy programs and vetoed standby oil-price controls that even a Republican Senate thought minimal protection against a disruption.

However, anyone who bets on oil-price stability is betting on Middle East political and military stability. But France has sold Iraq five Super Etendard jets that can launch Exocet missiles — and Iran threatens to close the Persian Gulf if the jets are used. And the Lebanon crisis threatens to overflow into Syria. Even without such difficulties, the fate of basins of stability — for example, the

Shah of Iran and President Anwar el-Sadat of Egypt — ought to be handwriting on the wall. The chances of a major disruption not occurring "are about zero," observes James Akins, former Ambassador to Saudi Arabia. A new Congressional Research Service study predicts that oil prices could leap to more than \$100 a barrel.

Further, we are reaching a moment of truth as the giant military contracts authorized at the outset of the Administration start generating production bottlenecks in key industries. The economist Lester Thurow thinks the resulting inflation problems will be substantial; others think they will be moderate. We have no way of knowing. But we are again seeing a military buildup without a tax increase.

There has been little letup in the pattern of 70's double-digit inflation in health care costs. As for housing, high interest rates held down demand in recent years but they have also throttled back production. An enormous amount of suppressed demand will stimulate high prices when young families and others who want to buy finally think interest rates are low

enough to manage. The longer that rates stay up, the greater will be the ultimate supply shortages as the population continues to grow.

If we are fortunate, these 70's-style inflation problems will hit at different times — at less than hurricane force. If we are not, given our conservative economic posture even greater price blowups could easily be followed by more budget-cutting, tight money and recession — this on top of the plentiful supply of these policies doled out in recent years.

To prevent a rerun of the 70's, we must expand the oil and grain reserves, establish standby price controls for oil and strong cost-containment procedures for hospitals, reauthorize conservation and renewable-energy programs, slash excessive military projects, expand the supply of low- and moderate-income housing, and encourage health maintenance organizations, which have incentives to reduce costs. Sadly, neither Democrats who fumbled the problem in the 70's, nor the Republicans, who have greatly increased our vulnerability in the 80's, have shown any signs of facing up to the issues.

Repairing Watt's Damage

By Arthur H. Purcell

tary Watt. The Bureau of Mines and the Office of Surface Mining were particularly hard hit. The only Federal waste recycling plant under the Bureau's direction has been permanently closed and much of the Office of Surface Mining's strip-mining reclamation research has been either scrapped or undercut by bureaucratic reorganization. Mr. Clark must take steps to restore these research programs and initiate others.

Third, the Federal Government must increase its commitment to wilderness and recreation areas. The population is growing and so are its

needs for calm, clean and uncluttered natural sanctuaries. Pressures for commercial and residential development in the Sun Belt and the West have put these parts of the country in particular need of expanded park and wilderness lands. Under Mr. Watt, the Federal Government lost invaluable opportunities to add land to the Santa Monica Mountains National Recreation Area, in California, and Grand Teton Park, in Wyoming. Neither the new Secretary nor the nation can afford to give up such opportunities.

Fourth, the Government must stringently review and reshape its coal and mineral leasing policies. Mr. Watt's approach to this issue was, at best, counterproductive. He stirred enormous controversy by pushing development of coal — a low-growth nonrenewable and polluting energy source. And to do so, he leased Federal lands to mining companies at ridiculously low prices — land that will be hard to reclaim for recreational purposes. Little if any thought was given to the environmental consequences or to the possibility of using these lands to experiment with

cultivation of nonpolluting renewable energy sources. The new Secretary probably cannot undo the damage of long-term leases already signed but he can, and should, stop action on pending leasing arrangements.

Fifth, the Interior Department should initiate substantive and regular communication with citizens and organizations that have an interest in its activities. Secretary Watt not only failed to talk to the environmental community, he prided himself on obstructing and insulting it. His successor should take a cue from William D. Ruckelshaus, who was called in to put out the fire at the Environmental Protection Agency. Mr. Ruckelshaus has held periodic meetings with environmental representatives and more than once picked up the phone to consult informally with them.

Interior will need all the outside help it can get in the months ahead. Effective communication with concerned citizens and environmentalists is essential. It is time for the reconciliation of the Department of Interior and the people of the United States.

WASHINGTON — It is hard to guess what led President Reagan to choose his national security adviser, William P. Clark, to replace James G. Watt as Secretary of the Interior. Still, now that the choice is made, Mr. Clark — and the environmental community — must begin to think how to repair the damage done by Mr. Watt during his three-year tenure.

Washington is a town where people like to throw rocks at each other — they like both the sport and the notoriety. Mr. Watt loved to throw rocks, and his garden thrived around all those hurled back at him. Even when he was on his way out, some of his most vociferous critics wanted him to stick around — presumably because he is someone to throw rocks at.

But the time for rock-throwing is over: We must think now about rebuilding the Interior Department. Mr. Watt's departure means that the Administration — and the nation — have a chance to bring calm and co-

Arthur H. Purcell is director of the Resource Policy Institute, which does research on environmental and energy issues.

herence back into the Government's oldest environmental agency. Mr. Clark should begin with five steps.

First, he should seek to coordinate the Interior Department with the Environmental Protection Agency, the Department of Energy and other Federal agencies. Under Mr. Watt, Interior was an island — to some, a utopian experiment in free market approaches to the management of natural resources; to others, a den of environmental iniquity. Yet the department's mandate includes development and conservation of energy sources, environmental protection and, through its research in precious metals and other critical materials, even defense — all functions shared by other agencies and departments. The post-Watt era must bring the department back into the Federal mainstream, and its vast resources must be coordinated with those of other agencies engaged in parallel missions.

Second, we must revive and upgrade conservation-related research and development. Such research has been sorely neglected under Secre-

Lloyd Bentsen of Texas. The Democrats have many more two-letter men than the Republicans.

Q. Whereas?

A. Whereas the Republicans are stuck with one-letter men like George Bush, Howard Baker, Bob Dole and Jack Kemp.

Q. According to your theory, what would happen if the Republicans put up a ticket of Jesse Helms and Jim Watt?

A. Don't be silly.

Q. In general, what do you think about the candidates of 1984?

A. They're just about right. If they were much better, they wouldn't be nominated, and the people wouldn't have a chance to vote for them; if they were much worse, the people wouldn't want to vote for any of them.

Q. Does your data show then that the candidates are not representative of the people?

A. Not at all. The facts indicate that most of them accurately represent most of the American people. They are decent, generous, well-meaning, naive and poorly educated about the history and wayward ways of the world.

Q. So if you can now foresee the future, what's ahead?

A. More of the same. Endless conflict, uprisings, rebellions, religious wars between unbelievers, but no major war and a gradual destruction and balance of nuclear weapons.

Q. What's ahead for Judge Clark?

A. A great career. As the President's designated troubleshooter, he can't lose, considering all the trouble ahead. The President might make him Chief Justice of the United States, considering his brilliant legal record, or even appoint him deputy commander in chief.

Q. Anything else?

A. I see the Baltimore Orioles (*Icterus galbula*) flying high over the world.

Q. But you haven't answered the main question about who will win the election between double-R Reagan and double-N Glenn.

A. I have to be careful. Like Jimmy Carter and Jerry Ford, Mondale might change his nickname to Wally, and that might make all the difference.

Q. Did you say you could foresee the future?

A. Vaguely.

Q. Then what do you see ahead?

A. I see the sunrise.

Q. Not the sunset?

A. I see children, everybody's children. That's what will hold us together.

Focus

Joan Borsten encounters some fancy lifestyles in the Eastern bloc



Josef Svoboda at his backyard swimming pool (left); Miroslav Ondricek at home with wife Eva and son David.

(Jaromir Komarek)

CZECH-BOOK SOCIALISM

EVERYONE is equal in the Communist state of Czechoslovakia, but some are more equal. Those members of the entertainment industry, for instance, whose talents are marketable in Western countries. The bonus for earning the state hard currency, much needed by the ailing Czech economy, is a life style qualitatively not too different from that of their counterparts in Europe and North America.

First hints come on the 20-minute drive to Prague's Barrandov Studios, perched on a hill overlooking the baroque city. In central Prague, Czechs live in gracious old buildings whose once-spacious flats have been subdivided into impossibly small units. Those who inhabit the circa-1950s suburbs make do with small apartments located in drab concrete rectangles designed by functionalist Russian architects.

In the newer suburbs are blocks and blocks of uniform high-rises, never quite finished, never quite landscaped. Everywhere locals line up for basic foodstuffs, housewares, clothes, even newspapers. Some drive cars — mostly Ladas, Moskvitches, Skodas, Tatas, Tazas, Volhas, Wartburgs and Zastavas. Most ride buses, trolley cars and the subway.

As the narrow, tree-lined road to the movie studio begins to wind upward, villas suddenly appear. One or two, to be sure, are embassies.

But most are modern, single-family dwellings or older private homes, the latter developed in the '30s by the father of the country's foremost contemporary dramatist, Vaclav Havel — all of whose plays are banned locally.

The driver plays tour guide. There's the home of the country's top tennis player who competes regularly in international tournaments. That's the home of Jaroslav Liti, whose TV soap opera *Hospital in the Suburbs* is now a smash hit in Germany. There lives a doctor working in Mozambique or an engineer working with the United Nations. Here lives Miroslav Ondricek, the cameraman whose American credits include *Slaughterhouse-Five*, *Hair*, *Ragtime* and *The World According to Garp*. Here lives a singer who regularly performs in Europe.

That is the home of Europe's leading scenic designer, Josef Svoboda, who regularly works everywhere, everywhere from the Met in New York to the Opera House in Paris.

"THE SYSTEM is simple," explains Svoboda, 69, a greying artisan whose lined face exudes a sense of power, accomplishment and well-being. Svoboda and his wife live in a well-furnished, two-story prefab, which they own, not too different in appearance from some of the homes in Kfar Shmaryahu or Haifa's Danya neighbourhood. There's a

swimming pool in the back, a Mercedes Jeep parked in the driveway next to the garden. The downstairs workshop is equipped with the best photographic and drafting equipment available. Weekends are spent at a country house, about 100 km. from Prague.

"Business is business here. If I am requested by a theatre abroad and this happens many times a year — the government allows me to go. I pay 50 per cent tax on my foreign earnings and 10 per cent commission to the state agency which negotiates our contracts. While abroad I can use as much of my earnings as I need to live. Sometimes in Germany I have to pay local taxes as well. And then when I return I change my hard currency into tuzeks crowns, a form of local money which allows me to buy imported goods in special tuzek stores."

Longtime technical director and chief engineer of Prague's National Theatre complex, Svoboda, whose name meant "freedom," has been "working out" since 1954. He won international acclaim in 1958 when he helped build the Czech Pavilion at the Brussels World Fair, and create for the pavilion the popular *Laterna Magica*, a complex integration of live performers and screened images. Before doing the Czech Pavilion at Expo '67, Svoboda worked for most of the major theatres of Europe, designing sets

for nearly 400 operatic and dramatic productions. Today he's still described as the most sought-after scenic designer in Europe.

In fact, of the 12 productions he will stage in 1983, only three will be done in Prague — two plays (one of them Czech) for the National Theatre, which this year celebrates its 100th birthday, and a modern opera written by a young Czech composer. Svoboda also designed all the sets film director Milos Forman used to stage Mozart's various operas in *Amadeus*, recently shot in Czechoslovakia. But unlike most of the other Czechs employed by the American movie, Svoboda received his salary in dollars.

SO DID Svoboda's neighbour, cameraman Ondricek, whose photography in *Ragtime* won him an Academy Award nomination. Ondricek is the only cinematographer living in the Eastern Bloc who works regularly in the United States.

Like Svoboda, Ondricek lives in one of Barrandov's newer homes. He built it on a lot purchased in 1970, five years after he worked out for the first time. That project was a short directed by Lindsay Anderson, the Englishman who asked the Czechs for Ondricek again in 1968 to shoot *If and then* in 1972 for *O Lucky Man*.

The split-level house cost Ondricek 600,000 crowns to build,

only \$60,000 according to the official rate of exchange but a princely sum in this country. Because he earned a foreign salary, the cameraman was allowed to finance construction with a 500,000-crown government loan, which he has 20 years to repay at 2 per cent interest.

"My family has lived in Prague for 300 years," said the cameraman, stroking his Van Dyke beard. He was seated on the canvas director's chair used during the filming of *Hair* in the upstairs room which serves as his office and overlooks the Moldau River and part of the city. "I feel I am Czech. I wouldn't leave the country, except for reasons of work. For the past five years I've worked only in the U.S. — *Hair*, *Ragtime*, *Garp*, *Silkwood* (not yet released) — they came one right after another. Boom boom boom. When Milos got permission to shoot here, it meant that for the first time since 1978 I was working at Barrandov."

Unlike doctors and engineers, unlike artists and artisans in some of the other Eastern Bloc countries, members of Czechoslovakia's movie, TV and theatre community do not have to join the Communist Party to qualify for the privilege of earning hard currency. The government apparently recognizes that culture, and not politics, is the national forte of a people that likes to describe themselves "as having a history of fighting poorly for good causes."

A dove's-eye view from America

By LEON HADAR/Post New York Correspondent

FEW AMERICAN-Jewish leaders have shed tears over the resignation of Prime Minister Menachem Begin. Publicly, these activists hailed the Likud leader and his political achievements. But aside from some leaders of right-wing groups such as Young Israel and Americans for a Safe Israel, many members of the Jewish establishment express a certain relief over the fact that the veteran Herut leader is leaving the scene.

Some of them will probably miss his visits to this country, his bombastic speeches before various Jewish audiences and his courting of Jewish activists. American-Jewish Orthodox and right-wing leaders have lost an Israeli figure who helped to strengthen their very limited support in the Jewish community here.

But, as a fascinating research project disclosed recently, the majority of both the general American-Jewish community and its leadership are opposed to the foreign and security policies of the Likud government and apparently feel much closer to the position of the Labour Party. Moreover, American Jews and their leaders support by a large majority both Israeli and American Jewish criticism of the policies of the current Israeli government.

THE PROJECT was commissioned by the American Jewish Committee and conducted by Professor Steven M. Cohen of Brandeis University. It surveyed the opinions on various domestic and foreign policy issues of, on one hand, the general American-Jewish community and, on the other, of a sample of leaders of major Jewish organizations.

As Cohen notes, although American Jews are substantially united in their concern for Israeli security, they are divided over major issues related to Israel's foreign policy. A majority of the American-Jewish public (42 per cent as against 34 per cent, with 23 per cent undecided) favoured Israel's offering the Arabs "territorial compromise... for credible guarantees of peace" and (51 per cent against 28 per cent, with 21 per cent not sure)

suspending expansion of settlements in the West Bank "to encourage peace negotiations."

Moreover, the PLO to recognize Israel and renounce terrorism, the vast majority of the sample (70 per cent against 17 per cent) agreed that Israel should talk with the PLO. By almost two to one (48 per cent to 26 per cent, with 27 per cent undecided), they also endorsed the right of the Palestinians to "a homeland in the West Bank and Gaza, so long as it does not threaten Israel."

IF THE American-Jewish public tends to lean towards a dovish posture on Israeli policies, the communal leadership does so even more. By about 2 to 1 (55 per cent to 25 per cent), the leaders favoured a freeze on West Bank settlement and the right of the Palestinians to a homeland which does not threaten Israel (51 per cent to 28 per cent).

By more than 4 to 1 (73 per cent to 17 per cent) the leaders endorsed the position that Israel should talk with the PLO provided it renounces terrorism and recognizes Israel.

On questions related directly to the future of the West Bank, the leaders were significantly more eager for Israel to relinquish control of the territories than were respondents in the public sample. Thus, they rejected by three to one the notion that Israel should maintain permanent control over the West Bank; and by the much larger margin of over four to one they were in favour of territorial compromise in exchange for credible guarantees of peace.

Cohen suggests that two of the key aspects that predispose the top leaders to more conciliatory attitudes in their contact, on one hand, with influential non-Jews in the U.S. and on the other, with a large number of influential Israelis, many of whom strongly oppose the present government position and support other views.

"As Jewish communal leaders learn to appreciate distinctions between Israeli leaders and policies," writes Cohen "they also come to recognize that expression of their more conciliatory foreign policy instincts is not necessarily heretical or disloyal."

THAT MANY American Jews are uncomfortable with major aspects of Israel's foreign policy is also evident from the results of the project.

By almost two to one (48 per cent to 29 per cent, with 23 unsure) the respondents affirmed that they were "often troubled by the policies of the current Israeli government."

By a similar margin, they expressed concern at the way the Israeli government has been handling relations with the U.S. They agreed (50 per cent to 24 per cent, with 26 undecided) that "Israeli leaders have sometimes been unnecessarily tactless in their dealings with American officials" and that Israeli policies "have hurt Israel in the U.S."

CONCERN about the effect of Israeli policies on relations with the U.S. was even greater among the leaders than among American Jews at large.

Thus, while many more said they were troubled by the government's policies (70 per cent) there was a near consensus that the government had hurt relations unnecessarily. By over four to one (68 per cent to 15 per cent) the leaders agreed that Begin's policies had hurt Israel in the U.S. and even more (81 per cent to 10 per cent) agreed on the tactlessness of Israeli leaders.

A majority of American Jewish leaders (43 per cent to 32 per cent) agreed that the government's policies had damaged Israel, and also that occupation of the West Bank could erode Israel's democratic and Jewish character.

The Jewish public overwhelmingly supported the right of Israelis to criticize their government and by a four to one margin (70 per cent to 17 per cent with 12 per cent not sure) rejected the proposition that Israelis who strongly criticize some of its policies are bad for Israel.

They also assented to the view that American-Jewish organizations should feel free to criticize Israel (60 per cent to 27 per cent) and rejected the notion that "American Jews should not criticize the Government of Israel's policies publicly" (57 per cent to 31 per cent).

COHEN TRIES, from the results of his survey, to construct a composite portrait of American-Jewish opinion of Israeli security-related policies. According to him, using the terms doves and hawks as a shorthand, American Jews may be divided into three broad groups.

About 45 per cent of American Jews may be seen as doves, that is, roughly, the proportion that support territorial compromise, favour suspending settlement activity and are willing to consider a Palestinian homeland on the West Bank and Gaza that does not threaten Israel. In fact, much more than 45 per cent supported a formula for talking with the PLO if it recognizes Israel. In addition, over 45 per cent affirmed the right of American Jews loyal to Israel to criticize it.

About 30 per cent of American Jews may be seen as hawks. This is roughly the proportion that rejected territorial compromise; somewhat more wanted permanent Israeli control of the West Bank and somewhat fewer rejected even a non-threatening Palestinian homeland. Roughly, the same proportion also rejected the propriety of American-Jewish criticism of Israeli policies.

Between the doves and the hawks were the roughly 25 per cent who were ambivalent or inconsistent about the major policy issues. Using the same criteria, Cohen says, it is reasonable to infer that about 60 per cent of the leaders would qualify as doves and about 25 per cent as hawks. The remaining 15 per cent may be seen as ambivalent or inconsistent.

These interesting results suggest that Labour's positions enjoy support among the majority of the American-Jewish public and its leadership (although, as another part of the research indicates, the current Labour leaders do not excite enthusiasm among most American Jews).

Thus, instead of leaving the American-Jewish field to organizations such as the "Peace Now" movement, Labour could try to establish a political infrastructure among American Jews and attempt to recruit those Jews, especially young professionals and intellectuals who are dissatisfied with the current government's policies, to support the Labour-Zionist cause.

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Big banks 'did not mobilize funds' to regulate bank shares

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — The four large banking groups: Leumi, Hapoalim, IDB and Mizrahi, whose avowed purpose of "regulating" their shares on the stock market was only to facilitate the mobilization of funds for new issues, did not in actual fact mobilize any money — net — in the past five years. This fact emerges from a study just published by Euroteam, a financial consultancy firm headed by Dr. Manfred Gerstenfeld and Ilan Barzel.

During these five years (1978 through October 6, 1983) these four groups raised \$877 million by floating issues. The interest they earned on these sums raised their total income to about \$1.2 billion.

"It is reasonable to assume," Euroteam notes, "that they spent about \$1.2b. on regulating the price of their shares, even if they bought them at a price under the market value. Thus one sum balances out the other."

However, it is stressed that this is true for the four groups if taken as a whole — there may be individual

gains or losses for each separate group.

If it is assumed that these \$1.2b. worth of shares will drop in price until they equal financial instruments paying a 7 per cent (in dollar terms) not interest, these shares will fall in value by 27 per cent. This means that the four groups together will lose \$350m. (at October 6, 1983 prices). However, the joint loss drops to about \$250m. since the banks bought these shares some 5 to 10 per cent under the market price of October 6.

(This loss will not appear in the 1983 financial statements since the banks hold considerable financial current assets and will gain by the recent devaluation.)

On the basis of a net dollar yield of seven per cent, the market value of the bank shares of these four groups is \$4.4b. The adjusted profits for the four groups was \$70m. in 1982 — a good year for profits, but the groups, except for Mizrahi, lost in the first half of 1983 once their profits were adjusted.

Their price/earning ratio was about 60 in 1982.



An estimated \$50,000 worth of hashish was found recently in an orchard near Moshav Beit Oved, on the coastal plain. The hashish, believed to have come from Lebanon, was in sole and cake form. (PPA)

Hapoalim workers offer to buy own bank shares

TEL AVIV. — Hapoalim bank workers yesterday showed their faith in the solidity of the bank by offering to divert one month's salary to buy Hapoalim bank shares.

According to Hapoalim officials, the offer was "entirely spontaneous." It started among senior officials and the rank and file at the same time. There was absolutely no formal request made to our staff to buy our own shares, and anyone who doesn't want to buy simply doesn't have to do so," The Hapoalim group employs about 10,000.

Your money and your questions

By JOSEPH MORGENSTERN
Post Finance Reporter

QUESTION: The bank share situation has made me very nervous and quite frankly I have become disillusioned with bank shares. I want to get out as fast as possible. What is the best way to go about getting rid of my bank shares?

ANSWER: A number of factors must be considered. At this stage it is not yet clear whether institutional support for the shares will be forthcoming and if so at what levels. As a result it is impossible to guess what the prices will be for bank shares on the first day of stock market trading. When you say "I want to get out as fast as possible," I assume you do not mean getting out at any cost. In view of that, I suggest that you place your sell orders with price limits. If the price of the shares goes below the price limit you will obviously not sell them. At the same time, however, you will not have sold them at a price which is totally unacceptable.

QUESTION: I have lost all faith in the shekel. My Patam account offers me a net return of approximately 4 per cent. What other dollar invest-

ment alternatives can you suggest?

ANSWER: The alternatives available to you are probably less limited than you imagine. Just some of the possibilities are investments in Eurobonds in various currencies; foreign shares and Israeli shares traded in the American markets. In the case of the latter, the shares of Israeli industrial companies traded on the American stock exchanges carry with them the advantage of being free of capital gains tax.

QUESTION: My wife and I are going overseas. We have purchased the legally allowable \$300 each in cash and \$2,500 each in travellers cheques. Since I have an international credit card with a very large credit line, can I draw out as much money overseas as I want to?

ANSWER: Most definitely not. The manager of a foreign currency department in one of Tel Aviv's commercial banks has advised me that the maximum \$3,000 limit according to the law is not to be exceeded in cash withdrawals when overseas. However, the burden of staying within the law is on the individual and not on the bank. That

means that the bank will not check how much cash an individual has withdrawn while he is overseas.

QUESTION: During this period of financial uncertainty, how have the prices of the government gold coins and medals fared?

ANSWER: As one would have expected, the prices of gold coins and medals have made good advances, as gold is still considered as a fine "store of value." A recently published report indicates that some of the coins and medals which were selling on the secondary market at a price equivalent to their gold content have now risen in price by 15-25 per cent.

QUESTION: How have the Israeli shares traded in America behaved in the current crisis?

ANSWER: When news of the 23 per cent devaluation as well as the austerity plan were announced, in addition to the closure of the Tel Aviv Stock Exchange, there was a stoppage of trading for a number of days. The share prices in America initially took a relatively sharp drop but recovered and as of Friday, October 14, were at the highest point of their recovery levels.

Major banks 'secretive' over solvency

By MACABEE DEAN

TEL AVIV. — Are Israeli banks solvent? No one really knows except the banks themselves and the Bank of Israel — and nobody is ready to talk. Everyone is taking cover behind "bank secrecy," according to Herluf Cohn, an advocate, who heads Jerusalem's International Firm Controlling Solvency of Banks.

Cohn, of Denmark, says his organization collects information on the solvency of banks and sells this information to "pension funds, insurance companies and other interested groups or individuals" so they can plan their investments.

"For some time now," Cohn notes, "investors have been more interested in the safety of their money, which means the solvency of banks, than in high interest rates."

At the end of 1982, he applied to all the major banks in Israel for information, but received no replies. He then turned to the Bank of Israel and was informed that no such information could be revealed since it violated the banking secrecy laws.

"Therefore, I had to advise my clients (Cohn refuses to disclose how many clients his firm has, and how many are in Israel or abroad) to draw their own conclusions."

He notes that he has received similarly uninformative replies from all European banks, however, American banks do reveal information. "Eight of the 10 largest banks in the U.S. are really insolvent," Cohn says. The reason being that they lend money to Third World countries, which are unable to pay either the interest or the capital on these loans. Worldwide, some 300 banks are in trouble having lent money to more than 40 governments. These 40 countries owe the banks about \$500 million.

A few months ago, Cohn wrote to the Bank of Israel, saying that information on the solvency of banks was of vital importance, particularly

since the government does not guarantee accounts up to \$100,000, as the American government does. Moreover, he wrote, the banks here buy their own shares on the stock market, making it virtually impossible for outsiders to work out the real value of the banks' shares. Finally, Israeli banks advertise on the radio and in the newspapers, and these advertisements should only be allowed if the banks are clearly solvent.

Israeli banks have issued several statements lately drawing a sharp distinction between the solvency of the banks per se, and their inability to continue to regulate the price of their own shares.

Brazil will pay off debt arrears 'by year's end'

BAHRAIN (Reuters). — Brazil's central bank governor, on a world tour to persuade bankers to accept a rescheduling package for the country's 1984 debts, said Brazil would be able to pay off arrears on its debt by the end of this year.

Afonso Celso Pastore said he had no indication that Brazil would need a new loan to eradicate the arrears by the year-end as some bankers have suggested.

"There has been some confusion

over bridging finance," he said. "We have some arrears in payments, but so far I've no indication that we need bridging finance."

Bankers estimate Brazilian payments arrears at about \$3 billion, but Celso Pastore said Brazil would be able to arrange loan repayments so that it was up to date by the end of 1983.

Brazil is the third world's largest borrower, with foreign debts estimated at \$90b.

Tadiran welcomes idea of employing U.S. engineers

Jerusalem Post Staff

The possibility of the immigration of American Jewish engineers and electronics experts for employment at Tadiran was investigated at a recent tour of the company's enterprises by some 100 young U.S. Jewish leaders.

The visitors received a favourable response to the idea from Aluf (res.) Nati Sharoni of the Tadiran executive, who discussed wages and working conditions with the tour participants.

The young leadership team visited Tadiran's military signal corps and electronics division laboratories as well as the firm's communications division. The latter has achieved worldwide distinction for its Tadox computerised

electronic telephone exchanges.

Members of the group were impressed by the company's high technological level, and raised questions as to the possibility of Israel-U.S. cooperation in military and civilian development projects.

Sharoni, personal assistant to Tadiran general manager, Yigal Ne'eman, noted that Tadiran has a staff of some 10,000, of whom roughly 40 per cent are scientists, engineers, technicians and software and computer experts.

He said the concern's exports are expected to surpass the \$200 million mark this year, out of an overall production figure of half a billion dollars. The company's aim, Sharoni said, is to increase exports primarily to the U.S. and western Europe.

18 countries due at tourism exhibition

Jerusalem Post Reporter

TEL AVIV. — At least 18 countries are expected to participate in the International Tourism Exhibition to be held at the Fair Grounds from November 3 to 10.

Holland, which at first refused to participate officially in the exhibi-

tion, yesterday decided to do so following a parliamentary debate, exhibition organizers told *The Jerusalem Post*.

Rumania, Portugal, Spain, England, Belgium, Scandinavia, Austria and Germany will also be participating officially, while some 10 other nations will be unofficially represented by tourism agents.

Fair Grounds Centre Director Ya'akov Ben-Gera said the exhibition is intended to bring together the who's who in tourism, while displaying Israel's advantages and tourism potential.

20 years of German-Israeli scientific cooperation marked

Jerusalem Post Staff

"Approximately 120 million marks of German funds have been spent to promote cooperation between scientists in Israel and Germany," said Dr. Gunter Lehr, director-general of the German Ministry for Research and Technology, at a meeting yesterday at the Weizmann Institute of Science to mark the 20th anniversary of cooperation.

Those responsible for initiating this relationship had every right to be proud, Lehr added, because cooperation in science had paved the way for ties in the economic, cultural and political spheres; as well as serving to increase mutual understanding between Israel and Germany.

"Israel's scientific links with Germany are second in importance only to those maintained with the U.S.," said Minister of Science and Development Yuval Ne'eman, who represented the government at the gathering.

"That cooperation," Ne'eman went on, "began during the tragic 30's when many German-Jewish scientists, deprived of their posts in Germany, took up positions in this country. Now, of course, cooperation is on a completely different basis."

Ne'eman revealed that he would soon make an official visit to Germany, his first official visit since assuming his ministerial post.

Chairing the meeting at the Weizmann Institute's Schmidt Auditorium were Professor Michael

Sela, president of the Institute and Professor Heinz Stubb, director of the Max Planck Institute for Medical Research.

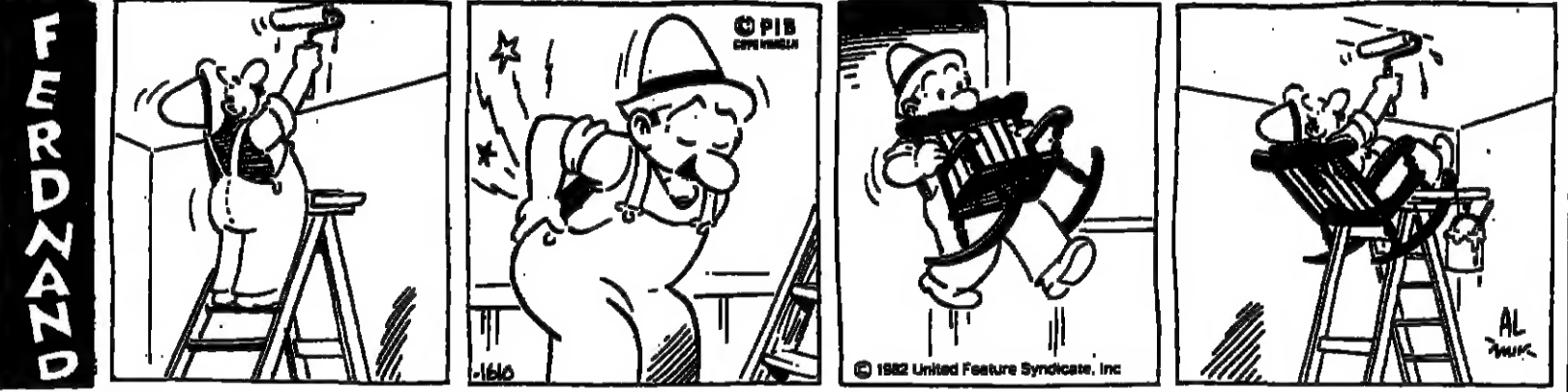
Sela said that the Weizmann Institute was particularly grateful to the Minerva foundation, which had overseen the "distribution" of German funds, because "these funds have helped substantially to keep the Institute in the forefront of world science."

Twenty years ago, Sela recalled, there were 19 joint Minerva research projects initiated. Today, he said, there are 70 on-going projects on which Weizmann Institute and German scientists are collaborating.

Stubb, who has been associated with the Minerva programme since 1964, said it had once appeared that the "horrible tragedy of Jewish suffering under the Germans" would prevent Israelis and Germans from cooperating for generations. Yet, thanks to the efforts of a few men within both scientific communities, bridges had been built between the two peoples.

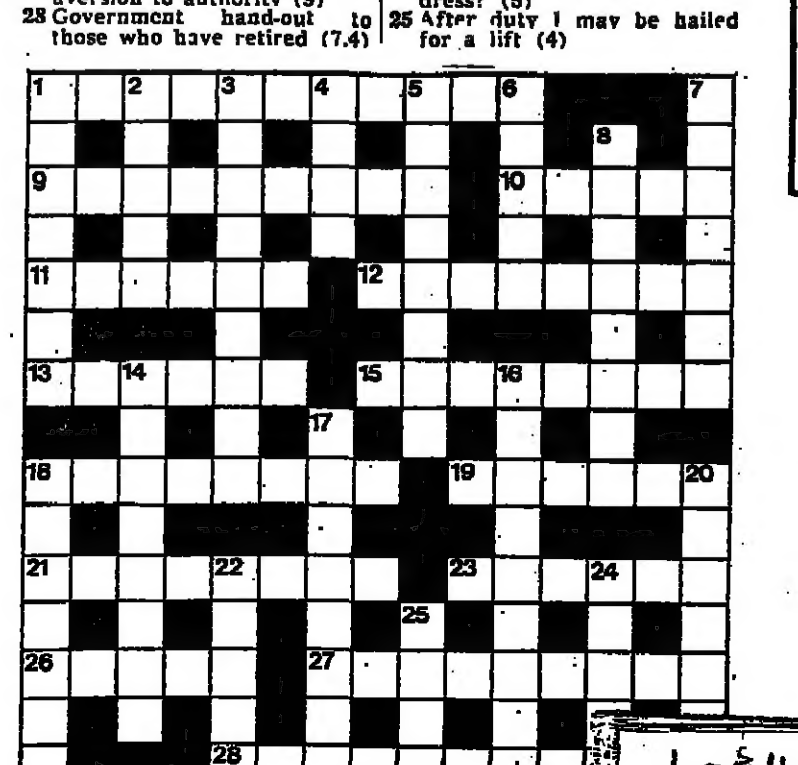
Sela singled out in this respect three scientists, all of whom have since passed away, for playing a key role in this process: Weizmann Institute Professors Amos D. Shalev and Gerhard Schmidt, and the distinguished German physicist Professor Wolfgang Gentner.

Weizmann Institute Professor Shneur Lifson, also involved with the collaborative process for many years, reviewed its achievements over the last two decades.



ONE-AND-ONE CROSSWORD

- | | |
|---|--|
| ACROSS | DOWN |
| 1 How big could the photograph be? That's for the Prime Minister to decide (7,4) | 1 Proverbially odious thing to do (7) |
| 9 A golfer of inflexible determination (3,2,4) | 2 Cash inducement to old boy setting up before sunrise (5) |
| 10 Sacred printings one studies (5) | 3 Wickedly improper for use in a storm? (9) |
| 11 Totally engage the attention of the sailor's eye? (6) | 4 Snubborn about right for Highland swimmers? (4) |
| 12 A sober fellow going back in the sea on the French coast (8) | 5 Unaware of the facts, I go and deliver a tirade about the North (8) |
| 13 Stimulating drink that takes some beating (3-3) | 6 Law and order? (5) |
| 15 Recommended by the Swiss Tourist Office for holiday-makers needing a change? (8) | 7 Battling with elegance and with ostentation on a grand scale? (2,5) |
| 16 Gallivanting centaurs of pre-Roman origin (8) | 8 One who believes we ought to have a higher standard of living (8) |
| 19 Recognised centre for forgery (6) | 9 Grotesque conclusion for a 21 to come to (8) |
| 21 Make a song about what sulky children do to deal with rain-water? (8) | 10 Roman car I ordered from 12 in Roman times (9) |
| 23 Leaves British Rail and goes on the stage (6) | 11 How to keep a mist in a fresh condition? (8) |
| 26 Everything and nothing to a burgh in Scotland (5) | 12 Go in some wire-netting, maybe (7) |
| 27 Charming's extraordinary aversion to authority (9) | 13 What the orthodox Moslem woman will have to face when she goes abroad (7) |
| 28 Government hand-out to those who have retired (7,4) | 14 Tip-market piano for a ship that can go where it likes (5) |
| | 15 Argentine conscript attaching nothing to elegance of dress? (5) |
| | 16 After duty I may be hailed for a lift (4) |



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|------------------------|-----------------------------------|
| QUICK CROSSWORD | DOWN |
| 1 Taking a dip | 1 Emblem |
| 5 Hardwood tree | 2 Also |
| | 3 Ameliorate |
| | 4 Mediaeval style of architecture |
| | 5 Coarse green cloth |
| | 6 Puzzling |
| | 7 Vacation |
| | 11 Copy of document |
| | 13 Grotesque |
| | 15 Significance |
| | 16 Substance |
| | 18 Once more |
| | 19 Keen |
| | 22 Unwell |

Build Your House in Sderot

In cooperation with Sderot Local Council, Shikun Ufituah Leyisrael Ltd., and the Ministry of Construction and Housing, Israel Lands Administration announces registration for the above programme, under which 29 plots will be allocated for the construction of single- and two-family houses.

Registration will open at 8.30 a.m. on Tuesday, October 18, and close at 12 noon on Tuesday, November 9, 1983.

Registration will take place at the local council's offices, every weekday, during normal working hours.

A detailed prospectus and additional details are available at the above offices.

Build Your Home in Netivot

The Israel Lands Administration, in cooperation with the Local Council, the Shikun Ufituah Co. and the Ministry of Construction and Housing, announces the opening of registration for the above programme, in the framework of which 40 plots will be allotted for the construction of one-family homes.

Registration will open at 8.30 a.m. on Tuesday, October 18, 1983 and end at 12 noon on Wednesday, November 9, 1983.

Registration will be held at the Netivot Local Council Headquarters throughout the week during regular working hours.

A detailed prospectus and further particulars are available at the above office.

YESTERDAY'S SOLUTION

- | | |
|---|--|
| ACROSS | DOWN |
| 1 Frank, 4 White, 5 Descend, 9 Sofia, 10 Lungs, 11 Element, 12 Eddy, 13 Behave, 14 Sledge, 15 Brew, 16 Delate, 17 Eagle, 18 Thong, 19 Spodis, 20 Miserer, 21 Emerald, 22 Down, 23 Fiddle, 24 Kook, 25 A Wild, 26 Lure, 27 Tilted, 28 Exact, 29 Lure, 30 Debt, 31 Buffalo, 32 Aweaken, 33 Pervert, 34 Brock, 35 Datum, 36 Anger, 37 Guide. | 1 Emblem, 2 Also, 3 Ameliorate, 4 Mediaeval style of architecture, 5 Coarse green cloth, 6 Puzzling, 7 Vacation, 11 Copy of document, 13 Grotesque, 15 Significance, 16 Substance, 18 Once more, 19 Keen, 22 Unwell. |

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Strikers' message

THE NEXT finance minister — whoever he may be: the prime minister is yet to make his choice among consenting candidates — would do well to take a close hard look at yesterday's brief warning strike by about a million workers across the land.

Surely no-one in his senses will accuse the leadership of the Histadrut of having instigated the strike in order to embarrass the government politically. If the strike reflected animus against the government, it was at the grass-root level. The Alignment-led Histadrut was in this instance concerned with giving orderly, and limited, expression to the popular sentiment rather than with exploiting it. If the public's fury were merely dammed up, it would have overflowed the banks.

Whether a strike, even of a short duration, was the ideal choice of instrument by the Histadrut, may be moot. Yet it can hardly be doubted that failure by the Histadrut to speak up in response to the threatened assault on workers' standard of living could only have given rise to wildcat strike action. The workers came out yesterday to protest the dreary legacy of Yoram Aridor, who had proclaimed a "proper economics" of voter bribery and left behind him an economic wilderness. In what turned out to be one of his parting shots as head of the Treasury, Mr. Aridor suggested a prescription for making the desert bloom again: to have the workers water it with the sweat of their brows.

There was, from the start, little likelihood that the working people, regardless of political preference, would take that sort of policy recommendation lying down. They might be induced to share in the national burden, but only if it were equitably distributed.

When a new finance minister is finally selected, his priorities may seem to lie elsewhere than in pondering the implications of yesterday's warning strike. For one thing, he will have to stanch the hemorrhage of the country's foreign currency reserves. Painful administrative measures of a supposedly interim nature may have to be imposed to restore minimal popular confidence in the basic soundness of the economy. Steps will first of all have to be taken to allow the Stock Exchange to reopen.

But that will not be nearly enough to set the economy in readiness for a fresh takeoff into an export-led growth. For that purpose there will, sooner or later, be need for a "social compact" applying not only to wages but also to prices and profits, and regulating government outlay as well as personal income.

The idea of a "social compact" has many supporters, among them the head of the Likud faction on the Knesset Finance Committee, Yigal Cohen-Orgad, who has been mentioned prominently as a suitable new finance minister. It would, indeed, offer a response to the workers' challenge of yesterday. The trouble is that agreement on a "social compact" embracing the Likud, Labour, the Histadrut and the private sector does not appear feasible before first holding elections. For the present political cleavage between the two major parties is too great.

Early elections thus shape up as an urgent economic necessity.

In the meantime, even a well-meaning finance minister will at best only be able to run a holding operation.

Victim of Soviet justice

THE SHOOTING down of the South Korean airliner by Soviet fighter aircraft may have been a manifestation of ghastly incompetence. The sentencing of Yosef Begun by a Soviet court to 7 years in jail and 5 years of internal exile — the maximum punishment he could receive — is an example of deliberate malevolence.

Yosef Begun, who has already served two terms of exile totalling 5 years, is the victim of official determination to stamp out all traces of Jewish-Zionist activism in the Soviet Union. His case is to serve as a warning to all Soviet Jews who have not given up the hope of living one day as free men and women in their ancestral homeland: abandon all thought of Israel, or lose such freedom as you now possess.

What were those "crimes against the state" of which the Vladimir court dutifully found Yosef Begun guilty? He was supposed to have engaged in anti-Soviet propaganda and agitation. The evidence to support the charges has not been published: the trial was held virtually in secret. But it is reasonable to assume that it was his teaching of Hebrew and dissemination of information about Israel that damned Yosef Begun.

All in all, the whole trial was nothing but a cruel farce: for one thing, less severe charges could easily have been proffered, if only it suited the authorities. Quite clearly it did not. And in the present atmosphere of ill-will between the two superpowers, the Soviets who have in the past been affected by external criticism, may well remain brutally obdurate on the fate of this innocent man.

In some measure, indeed, Yosef Begun may also be a victim of the South Korean air incident.

Yet the attack on Begun, whose sole wish is to be reunited with his fellow Jews in this country, must be protested, and with all possible vigour. For it is the only means of signalling to like-minded Jews in the Soviet Union, who still number many tens of thousands, that they have not been forgotten by the outside world, and least of all by Israel.

THE ECONOMIC TURMOIL and the resignation of Yoram Aridor as finance minister have, as expected, produced a flood of reactions from Labour leaders.

Since going into opposition in 1977, the Labour Party has acted as if it is expected to act, both psychologically and in terms of its parliamentary behaviour, as a "parallel administration" of the economy. Thus, a good deal of the discussions both within and by the Labour Party on the economic situation are concerned with executive-technical-administrative details of the actual operation of the government system, instead of with the fundamental ideological issues and their interpretation into an alternative economic policy.

I am well aware that given the present make-up of the Labour Party leadership, such an exercise would be extremely complicated. The Labour Party today contains some radical socialists, a large number of social democrats, quite a few radical liberals and a great many individuals whose "socialism" involves little more than the acceptance of a minimalist welfare state.

It is clearly difficult to find a common economic denominator in such a mixed group. Unfortunately, very few members have worked out their positions on the basis of ideological principles and values. The majority adopt a cold, "objective," profes-

IT WASN'T a bad idea all the same. People took umbrage, but for emotional reasons. "First they turn the shekels into dollars," said one man, then they'll give up the flag and after that the national anthem." "Speak to me in English," demanded another, stumbling over what was to him a foreign language. "Who needs Hebrew?"

Who, it should be asked, needs dollarization? The answer is: the national economy, not because there aren't other cures for the country's economic ills, but because there isn't a government capable of applying them.

The need, as ex-finance minister Yoram Aridor stated just before his resignation last Thursday, is to slash the current state budget by \$2b. That cannot be done, the effect would be too painful. Subsidies have been reduced sharply, which sounds like a radical step but is in fact only a small beginning.

Yet even that has brought all Israel's employed labour out on the streets in a two-hour strike, designed to stop any further austerity measures.

Israel's democratically elected administration is constitutionally incapable of taking hard decisions; and budget-cutting involves hard decisions, so we should make no mistake about that. Hospitals com-

Alternative policy

By SHEVAH WEISS

sional point of view, or are concerned with saying what they believe the voters want to hear.

We seem to forget much too often that, by definition, socialists should be concerned with an equal distribution of the national cake, an economy which limits (or abolishes) the benefits accruing to those who control the means of production, intensifying progressive taxation, a greater or lesser degree of nationalization of the central economic and social institutions in the state, the encouragement of cooperation, etc.

Thus, the socialists among us should be concerned with basic questions concerning the structure and functioning of *Havat Haavdim*, the institutions of mutual assistance within the Histadrut, the future of the kibbutz and moshav movements, and, not least, the search for new, practical concepts and models

based on socialist principles which are applicable to those sections of Israel's population which are either totally unfamiliar with these principles or alienated from existing institutions which were constructed on them in the past.

I AM NOT saying that Labour should not criticize what the government is doing or not doing. Certainly, criticism is one of the central parliamentary tasks of an opposition. But criticism without any constructive alternative programme is sterile.

The opposition does not have the job of state comptroller, the job of merely criticizing how the government is performing; it has to offer a clear and viable alternative, and when it criticizes the government's policies and actions it should not merely have corrective measures in mind but fundamental changes.

Who needs dollarization?

By DAVID KRIVINE

plaining they can't afford to feed their patients would receive less money still. Schools unable to make out with the allocations they have would be given even smaller allocations. Ata Textiles crying for rescue would be sent packing.

The old attitude among institutions has been "Shout and you get." The new message has to be, "Stop howling and start thinking." Israel produces like Italy, and consumes like Germany. That pampering will stop. All the public services, including the military, must lower their sights. New plans are needed. Like all countries we must live within our means.

SOME 400,000 people are employed in the public service, and that is without counting the armed forces. A budget reduction of 15 per

cent from \$14b. (excluding debt service) to \$12b. would cause numerous redundancies. Can Shamir's government do that? Not a chance.

Israel's finance ministers have all tried to eliminate their respective governments' budget deficit, and none succeeded. The harder they strove, the wider yawned the gap. When Aridor first took office he went with the trend. He widened the deficit deliberately, in pursuit of a futile theory (which may have brought him a fleeting popularity).

His appalling error aggravated the problem. Over-spending became a craze. Most recently, the doctors demanded 158b. more in pay, and blackmailed the authorities by starving themselves into inanition. The authorities caved in, what else could they do?

READERS' LETTERS

BEZALEL'S TRAVELLING EXHIBITIONS

To the Editor of The Jerusalem Post Sir, — It was with great pleasure that I read Dora Sowden's article "Museum road show" in the magazine of September 30, in which the travelling exhibitions of the Israel Museum are described. Permit me, as someone who participated in these activities in the early days (from 1946 onwards), to correct an error concerning the beginning of this department.

The travelling exhibitions were not "started" by the Bezalel School as an art collection, but were the brain-child of Mordecai Narkiss, from 1932 to 1957 director of the Bezalel National Museum, which was then, as it is today — when the Bezalel Museum is incorporated in the Israel Museum — a separate institution from the Bezalel Art School, which has now the status of an academy.

In this connection, I should like to remark on one more fact which forms one of the memories I cherish most from the difficult period of the War of Independence, when the old building of the Bezalel Museum was

hit by shells quite a number of times and suffered material damage. All art treasures, original paintings and other valuable objects had been stored in what we considered the safest parts of the building. However, we wanted to keep the doors of the museum open. On the initiative of Dr. F. Schiff, then deputy director of the museum, we made use of our travelling exhibitions and hung them on the walls of the museum's exhibition hall, exchanging them every so often. To our great satisfaction, visitors came to the museum and enjoyed these exhibitions throughout the war and the siege of Jerusalem, when there were hardly any cultural activities in the beleaguered town. My most rewarding memory of those days is that of young soldiers who dropped in whenever they had a short break in their duties and spent those precious moments of leisure enjoying our "travelling exhibitions." This time hung "at home."

HANNAH KATZENSTEIN
Jerusalem.

HANGING TOGETHER

To the Editor of The Jerusalem Post Sir, — Mark Segal, in his "Public faces" of September 2, writes that Dr. Yohanan Bader quoted Abraham Lincoln as saying, "We will all hang together, or we will all hang separately." It was Benjamin Franklin, not Lincoln, to whom that remark is attributed. At the signing of the Declaration of Independence from Britain in 1776 by members of the Continental Congress, John Hancock, who was the first to sign the document, said, "We must be unanimous: there must be no pulling different ways; we must all hang together." This brought Franklin's afore-mentioned response.

Mr. Segal, who never misses an opportunity in his column to malign Ariel Sharon and other members of the present Israeli government, might ponder these words of Hancock's and Franklin's, for they app-

ly as much to the current political situation in Israel as they did when the new nation in America was fighting for its existence.

EMANUEL TEITELMAN
Brooklyn, N.Y.

Mark Segal comments: My apologies to Benjamin Franklin on Dr. Bader's behalf. As to Mr. Teitelman's other remarks, may I offer the thought that the view from Brooklyn of the ministers involved might be a sight rosier than from close up.

PENFRIENDS

MICHAEL DAVIS (24), of P.O. Box N 3736, Nassau, N.P., Bahamas, is a college student who would like to correspond with Israelis between the ages of 20 and 25. He is interested in sports and plays four different musical instruments.

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Thus, the opposition should not simply be concerned with what to do about the bank shares; it should also examine the role the stock market has assumed in the last six years. It is not enough simply to criticize the absence of export incentives and the barriers placed in the way of exporters; it is also necessary to further the concept of an economy based on advanced technology and know-how which is geared to exports and import substitution. It is not a question of whether the Histadrut should or should not declare a general strike in protest at the current economic measures; it is necessary to deal with the essence of the Histadrut as both a social and economic movement and a trade union. It is not just a question of whether this or that fee is too high; it is necessary to confront the problem of effectively regulating a price system which has gone out of control and which enables parasites to make a fortune while those who are engaged in production are left behind.

LABOUR PROFESSES support for a pluralistic economy, but in fact the *laissez-faire* system seems to be taken for granted. We speak of economic equality, but are making no concerted effort to advance equal economic opportunities for women, underprivileged ethnic groups, national minorities and

others or to suggest appropriate means for closing the ever-growing social and economic gaps.

In their television appearances on Thursday's *Mabat*, both Labour Party chairman Shimon Peres and Histadrut deputy secretary-general Israel Kessar rightly pointed out that it was not the man Yoram Aridor whom the Labour movement opposed, but the whole economic system introduced and promoted by three successive Likud governments.

Thus, Labour advocates changing the system — that is, the government. It would be folly simply to advocate turning the clock back to May 1977. Labour must offer an alternative which is relevant to the situation in October 1983.

The Labour movement must start off by presenting a comprehensive and articulate picture of the type of society and economy which it strives to achieve so that criticism of the government's policies will fall into place and be effective.

Only if Labour has a clear view of this picture can it go on to convince the public and to educate it to accept the principles of Labour Zionism and follow its particular socialist course.

The writer is a Labour Party MK and professor of political science at Haifa University.

Yigael Hurvitz had adopted my pockets are empty gambit. He was discarded. Aridor ultimately tried to follow his example, but it was too late. He fell back on a counsel of despair: "Either you cut the budget deficit," he said in the end, "or I'll switch our currency to the dollar."

He could have said instead, "Or I'll put the economy on the gold standard." It would have been the same, and there would have been less patriotic outrage. His object was not to make Israel the 51st state in the Union, it was to forcibly stop the Government of Israel from "printing" money.

The Israeli currency would be devalued once more and for the last time — but properly — let us say to 15:20 to the dollar. From that moment on, the Bank of Israel would cease to issue shekels — except in exchange for dollars (or gold, if that were chosen).

The Treasury's revenue would be limited to the taxes it raises, the loans it can negotiate and the dollars it succeeds in mobilizing. Creating cash out of thin air would cease to be an option. The cabinet would be unable to run a deficit even if it wanted to, because there would be no money to finance it.

IF ALL the above happened, expenditure would drop by \$2b. automatically, without anyone having to make the decision. As a result, 50,000 officials would find themselves out of jobs. The unemployed would presumably have to be paid a dole, which is a heavy outlay, making the cost-cutting exercise an expensive business.

Hence the need for a big devaluation — to push the growth of production, creating new employment opportunities in the productive branches. Prices being stable,

there would be no cost-of-living allowance. Unemployment being extensive, no wage demands would be tabled either. Faced with a stable cost situation, exporters would enter a phase of unprecedented boom.

The gradual shift of workers' previously manufacturing nothing (being in the public service) to industrial occupations would step up overall productivity. The gross national product would rise, thus increasing tax returns. The Bank of Israel would have to counter the large inflow of foreign exchange by imposing strict liquidity regulations. Such deflationary policies would work for a change, now that the government cannot print money.

IN FAIRNESS to Aridor, he did not propose actual dollarization, he only suggested cutting \$2b. from the budget. That was Stage II of his plan. (Stage I was the devaluation.) In the unlikely event that the government managed to make the cut in its entirely, stage III would become unnecessary. He said so.

He introduced it as a solution of the last resort, a monster kept in the wings that would come on stage and take over only if the government failed to do its duty.

Now Aridor has departed, like Hurvitz before him. Will the government proceed to cut the \$2b. of its own accord? Not on your life. The coalition will continue to fumble as before.

Every politician will declaim that a budget cut is imperative, none of them will agree that it be applied to his own department. Gradually and inevitably, the nation will slide into a crisis, one more terrible by far than Aridor's threatened dollarization.

The writer is a member of The Jerusalem Post editorial staff.

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